

The City of Frostproof

2014-2015

Annual Budget

Adopted September 22, 2014



City Staff

.... The Friendly City



September 22, 2014

Honorable Mayor, City Council and Citizens
City of Frostproof
Frostproof, Florida 33843

In accordance with the City Charter, Code of Ordinances and the laws of the State of Florida, we are pleased to present the City of Frostproof's annual operating budget for fiscal year 2014-2015. Copies of the budget are available for public inspection at City Hall, 111 West First Street, Frostproof, Florida 33843.

Budget Overview

The budget totals \$8,599,850; of this amount 60% represents the General Fund and 40% represents the Enterprise Fund. This year's budget was prepared taking into account the following goals:

- The Property Tax Millage Rate of 8.0587 was implemented this year
- A cost of living raise for our employees along with bonuses was included

The Fiscal Year 2014-2015 budget continues to provide and maintain services, as well as address other issues as prioritized by Council.

Ad Valorem Taxes

Total current year taxable value is \$113,796,796, an increase of \$1,955,022. The proposed operating millage rate for fiscal year 2014-2015 is 8.0587 per \$1,000 assessed property value.

General Fund

The General Fund operating expenses total \$2,335,060. This represents an increase of \$148,370 or 7%, over budget of fiscal year 2013-2014. This increase is related to the additional funding of \$180,000 required for the stability of the Police Pension plan.

General Fund revenues total \$2,266,010. This represents a decrease of \$109,660 or 4% under budgeted revenues of fiscal year 2013-2014.

Enterprise Fund

The Enterprise Fund operating expenses total \$1,207,820. This represents an increase of \$9,470 or .8%, over budget of fiscal year 2013-2014.

Enterprise Fund revenues total \$1,704,000. This represents an increase of \$113,000 or 7% over budgeted revenues of fiscal year 2013-2014.

Acknowledgements

We would like to thank Council members for their expertise and support in the development of the 2014-2015 Fiscal Year Budget. It is through this financial plan that we address opportunities for sustainability.

Respectfully submitted,

Tenny R. Croley
City Manager

Melody Walsh
Finance Manager

Table of Contents

TAB	PAGE
Letter of Transmittal	i
A. TABLE OF CONTENTS	ii
B. EXECUTIVE SUMMARY	iii
C. CITY INFORMATION	1-5
City Council	1
City Officials	2
Organizational Chart	3
City Fact Sheet	4
Millage Rate Impact Schedule	5
D. SCHEDULE OF DEBT SERVICE	6
E. SUMMARIES	7-9
Budget Summary	7
Summary of Citywide Revenues	8
Summary of Citywide Expenses	9
F. GENERAL FUND REVENUES	10-51
Summary of Revenues	10-11
Ad Valorem Tax	12-13
Franchise and Utility Taxes	14-20
Licenses and Permits	21-23
Intergovernmental Revenues	24-34
Charges for Services	35-42
Fines and Forfeitures	43-45
Investment Income	46-47
Miscellaneous Revenues	48-51
G. GENERAL FUND EXPENSES	52-84
Summary of Expenses by Department	53
General Government	54-64
<i>Legislative</i>	55-56
<i>Executive</i>	57-58
<i>Clerk/Finance</i>	59-60
<i>Legal</i>	61
<i>Comprehensive Planning</i>	62
<i>General Government</i>	63-64
Public Safety	65-67
Fire Department	68-70
Building Department	71-72
Cemetery	73-74
Streets	75-77
Library	78-80
Parks and Recreation	81-82
Historic Preservation	83-84
H. ENTERPRISE FUND REVENUES	85-99
Summary of Revenues	86
Impact Fees	87-89
Franchise and Utility Fees	90
Charges for Services	91-95
Investment Income	96
Miscellaneous Revenues	97-99
I. ENTERPRISE FUND EXPENSES	100-109
Summary of Expenses by Department	101
Solid Waste	102
Wastewater	103-105
Water	106-107
Stormwater	108-109
J. SUPPLEMENTAL INFORMATION	110-118
Frequently Asked Questions	110-112
Glossary	113-118

Executive Summary

This report details the budget of the City of Frostproof for fiscal year beginning October 1, 2014 and ending September 30, 2015. It is the budget recommended for adoption by the Frostproof City Council on Monday, September 22, 2014.

The budget totals \$8,599,850; of this amount 60% represents the General Fund and 40% represents the Enterprise Fund. The budget details projected revenue sources overall and by fund. Historical, rate and distribution revenue data is also provided.

- General Fund Revenues include ad valorem taxes, sales and use taxes, licenses and permits, intergovernmental revenues, charges for services, and miscellaneous revenues.
- Enterprise Fund Revenues include water utility fees, wastewater utility fees, storm water utility fees, and solid waste utility fees.

The budget includes projected expenditures overall, by fund and by department, including:

Legislative	Executive	City Clerk/Finance
Legal	Planning	General
Public Safety	Fire Department	Building
Cemetery	Streets	Library
Solid Waste	Wastewater	Water
Stormwater		

In addition, it provides information about the City, its leadership and organization, and debt service obligations. It also provides information about ad valorem taxes and millage rate schedule.

CITY COUNCIL



Anne Dickinson
Mayor
Seat 3
Term Expires: April 2017



Diana Biehl
Vice-Mayor
Seat 4
Term expires: April 2015



Martha M. Neher
Seat 2
Term expires: April 2017



Ralph Waters
Seat 5
Term expires: April 2015



Louise Goddard
Seat 1
Term expires: April 2015

Vision

The City of Frostproof, known as "The Friendly City", desires to retain its rural character and historical heritage, encouraging smart growth while maintaining sustainability, providing a friendly, safe and dynamic environment, creating a City where citizens choose to live, raise families and take pride in their community.

Mission

It is the mission of the City of Frostproof to continually strive to improve the quality of life for all citizens by providing a safe enjoyable environment in which to live and work. We are committed to creating an effective municipal team focused on delivering quality services in the most efficient manner, as well as promoting partnerships, volunteerism and civic pride.

CITY OFFICIALS

Tenny Croley
City Manager

Mark Smith
City Attorney

Jennifer Codo-Salisbury
Central Florida Regional Planning Council
City Planner

Steve Dutch
Chastain Skillman, Inc.
City Engineer

Clifton Smith
City of Lake Wales
Building Official

Melody Walsh
Finance Manager

Sarah Adelt
City Clerk

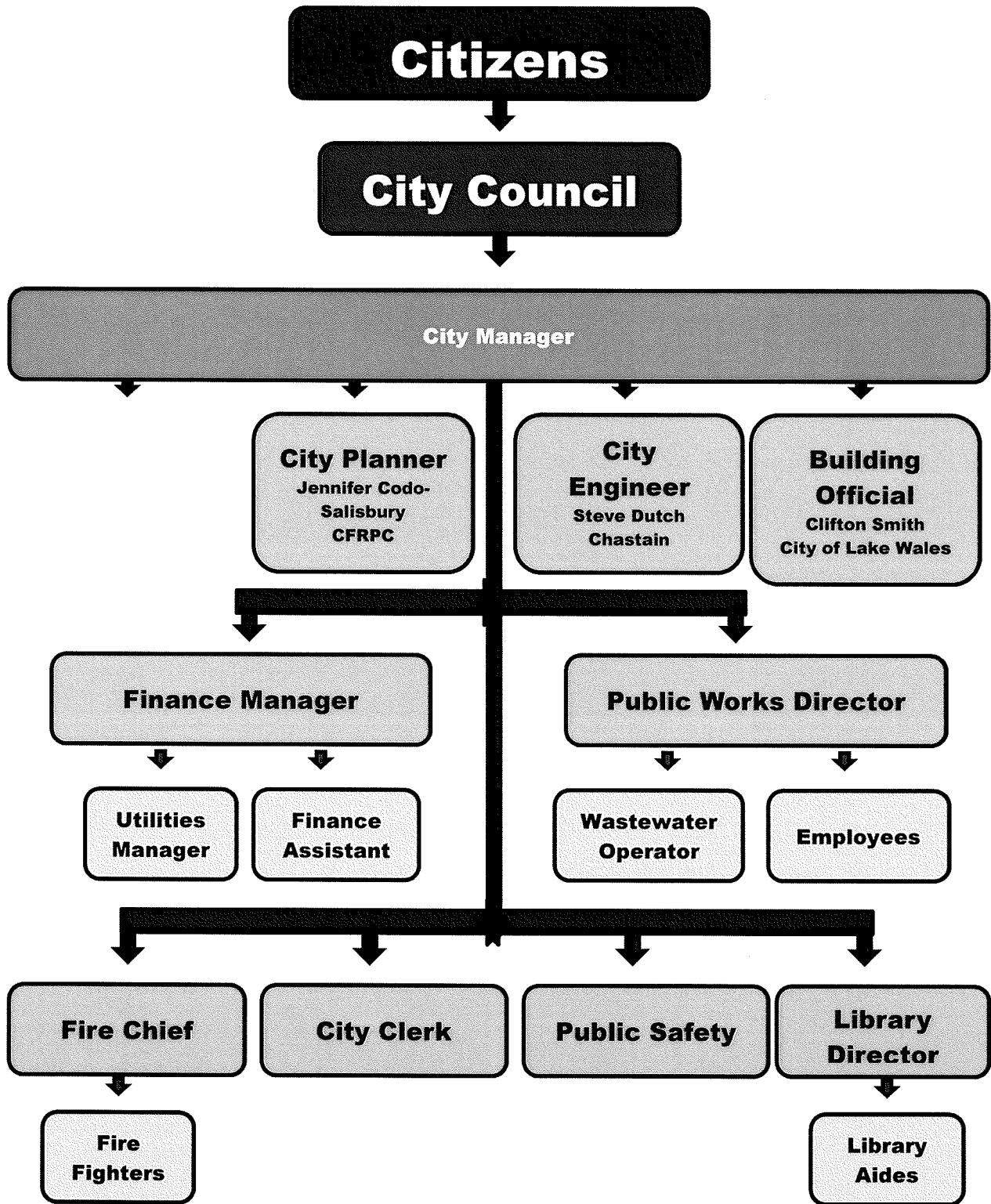
James Keene
Public Works Director

Clifford Cofer
Fire Chief

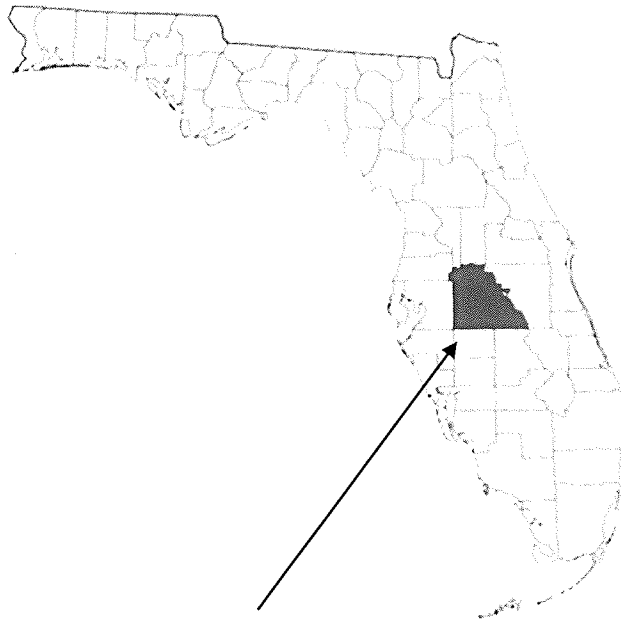
Melissa Hadden
Library Director

Sharon Bass
Utilities Manager

Organizational Chart



Fact Sheet



Polk County

Population Incorporated Municipalities Polk County (Florida Department of Revenue 2013 Population Estimates)	
Auburndale	13,792
Bartow	17,142
Davenport	2,965
Dundee	3,380
Eagle Lake	2,286
Fort Meade	5,595
Frostproof	2,966
Haines City	20,837
Highland Park	232
Hillcrest Heights	250
Lakeland	98,200
Lake Alfred	5,018
Lake Hamilton	1,253
Lake Wales	14,323
Mulberry	3,780
Polk City	1,572
Winter Haven	34,388
Unincorporated	375,135



City Stats

Date of Incorporation:
1921

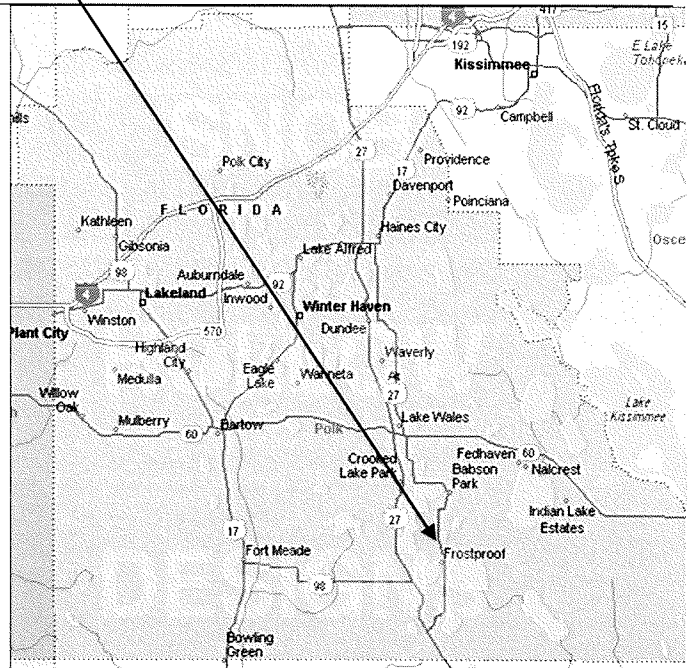
Form of Government:
Council Manager Plan

Size:
18.92 Square Miles

Current Population:
2,966

Number of Schools:
3

Number of Parks:
3



Millage Rate Impact Schedule

Gross Taxable Value = \$113,796,796

Operating Millage Rate	Ad Valorem Proceeds
8.0587	*917,054
1.0000	113,797
.7500	85,348
.5000	56,899
.2500	28,449
.1250	14,225
.1000	11,380
.0750	8,535
.0500	5,690
.0250	2,845

This schedule demonstrates the amount of increase in ad valorem proceeds (right hand column) as associated with an increase in the operating millage rate.

*100 % of Ad Valorem Taxes, for TRIM purposes only 95% budgeted.

Schedule of Debt Service

Lender	Balance 10/1/14	Year Issued	Year of Maturity	Interest Rate	Due 2015
<i>BB&T Governmental</i>					
Series 2012A \$1,583,306 Wastewater System Annual Payment Principal – \$71,376 Interest – \$43,774	\$1,448,221	2012	2030	3.060%	\$115,150
<i>United States Department of Agriculture</i>					
Series 2003B \$1,275,000 Wastewater System Annual Payment Principal – \$19,000 Interest – \$54,055	\$1,138,000	2003	2043	4.75%	\$73,055
<i>United States Department of Agriculture</i>					
Series 2003C \$350,000 Wastewater System Annual Payment Principal – \$ 6,000 Interest – \$14,384	\$311,000	2003	2043	4.625%	\$20,384
<i>State Revolving Fund</i>					
60007L Loan \$2,000,000 Wastewater System Semi-Annual Payment Principal – \$ 90,122 Interest – \$ 27,355	\$1,331,272	2005	2025	2.09%	\$117,477
<i>State Revolving Fund</i>					
60006P Loan \$423,965 Wastewater System Semi-Annual Payment Principal – \$14,020 Interest – \$ 6,890	\$221,500	2001	2027	3.16%	\$20,909
Total	\$4,449,993				\$346,975

Budget Summary

SUMMARY BUDGET

City of Frostproof

Final Budget Summary

Fiscal Year 2014-2015

THE OPERATING BUDGET EXPENDITURES OF THE CITY OF FROSTPROOF
ARE 4.7% MORE THAN LAST YEAR'S TOTAL BUDGETED OPERATING EXPENDITURES.

Taxes: Millage per \$1,000 = 8.0587

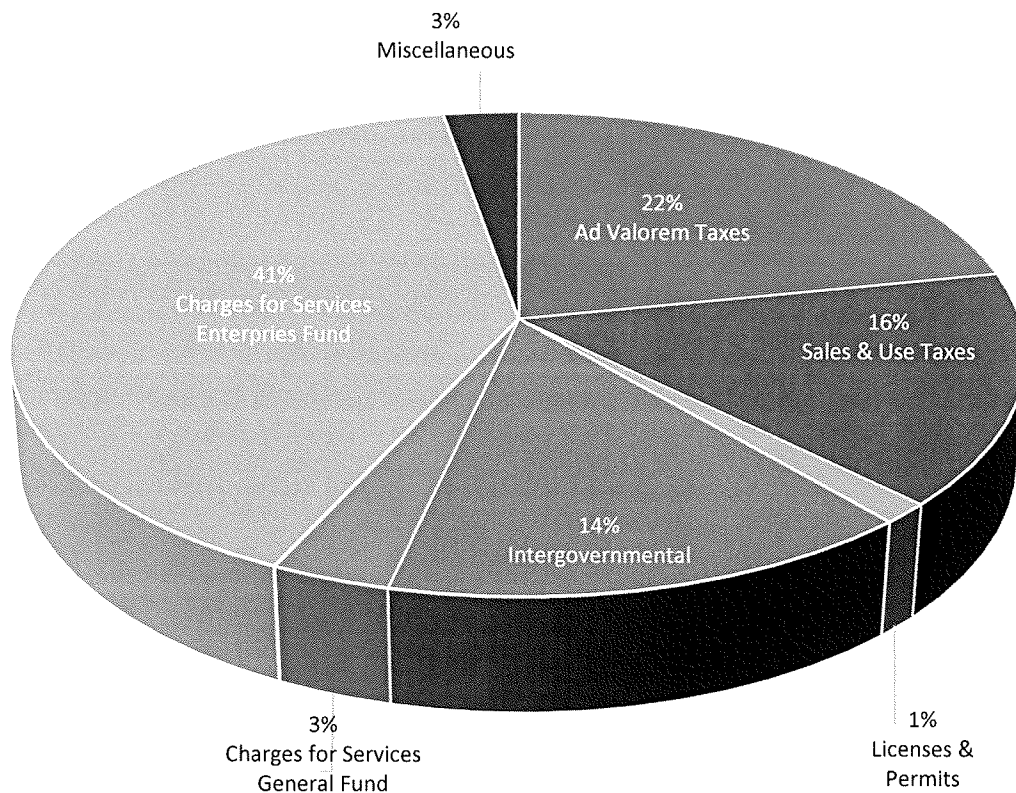
<u>ESTIMATED REVENUES and FUND BALANCES</u>	GENERAL FUND	ENTERPRISE FUND	TOTAL BUDGET
Nonspendable	3,890		3,890
Restricted	886,380	1,012,410	1,898,790
Assigned and Committed	99,890		99,890
Beginning Unreserved Fund Balance	1,962,530	300,000	2,262,530
Beginning Debt Service Balance		325,040	325,040
Grants		39,700	39,700
BEGINNING FUND BALANCES	2,952,690	1,677,150	4,629,840
Ad Valorem Taxes	871,200		871,200
Franchise & Utility Taxes	601,000	20,000	621,000
Licenses and Permits	55,000		55,000
Intergovernmental Revenue	570,520		570,520
Charges for Services	133,390	1,614,250	1,747,640
Fines & Forfeitures	2,000		2,000
Investment Income	10,000	5,000	15,000
Misc. Revenues	22,900	64,750	87,650
TOTAL ESTIMATED REVENUES	2,266,010	1,704,000	3,970,010
TOTAL ESTIMATED REVENUES and FUND BALANCES	5,218,700	3,381,150	8,599,850

<u>ESTIMATED EXPENSES</u>			
General Government	419,000		419,000
Public Safety	1,025,650		1,025,650
Fire Department	164,020		164,020
Building Department	44,100		44,100
Cemetery Department	23,470		23,470
Streets Department	395,590		395,590
Library	196,560		196,560
Community Affairs	63,070		63,070
Auditorium	3,600		3,600
Garbage		356,510	356,510
Wastewater		375,360	375,360
Water		284,430	284,430
StormWater		45,060	45,060
Debt Service (Interest Only)		146,460	146,460
TOTAL ESTIMATED EXPENSES	2,335,060	1,207,820	3,542,880
Nonspendable	3,890		3,890
Restricted	894,760	330,360	1,225,120
Assigned and Committed	113,760		113,760
Ending Unreserved Fund Balance	1,844,230	498,180	2,342,410
Ending Debt Service Balance		248,720	248,720
Capital - Grants	7,000	39,700	46,700
Capital - Operating	20,000	1,056,370	1,076,370
ENDING FUND BALANCES	2,883,640	2,173,330	5,056,970
TOTAL ESTIMATED EXPENSES and FUND BALANCES	5,218,700	3,381,150	8,599,850

THE TENTATIVE, ADOPTED, AND/OR FINAL BUDGETS ARE ON FILE
IN THE OFFICE OF THE CITY CLERK OF FROSTPROOF AS A PUBLIC RECORD.

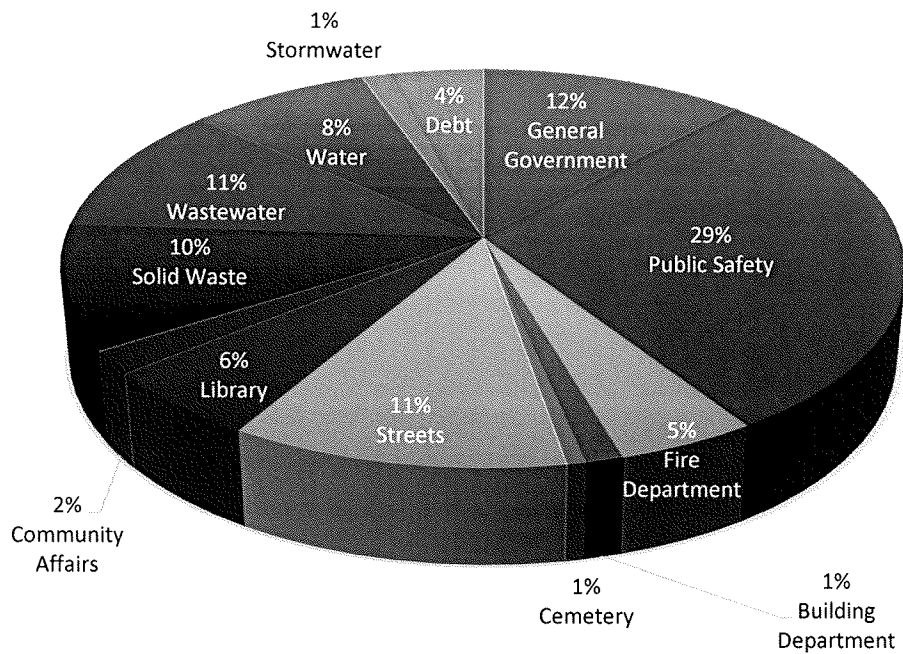
Summary of All Revenues for All Funds

Ad Valorem Taxes	871,200	22%
Sales & Use Taxes	621,000	16%
Licenses & Permits	55,000	1%
Intergovernmental	570,520	14%
Charges for Services GF	133,390	3%
Charges for Services EF	1,614,250	41%
Miscellaneous	104,650	3%



Summary of All Expenses for All Funds

General Government	419,000	12%
Public Safety	1,025,650	29%
Fire Department	164,020	5%
Building Department	44,100	1%
Cemetery Department	23,470	1%
Streets Department	395,590	11%
Library	196,560	6%
Community Affairs	63,070	2%
Auditorium	3,600	0%
Solid Waste	356,510	10%
Wastewater	375,360	11%
Water	284,430	8%
Stormwater	45,060	1%
Debt Service (Interest Only)	146,460	4%



General Fund

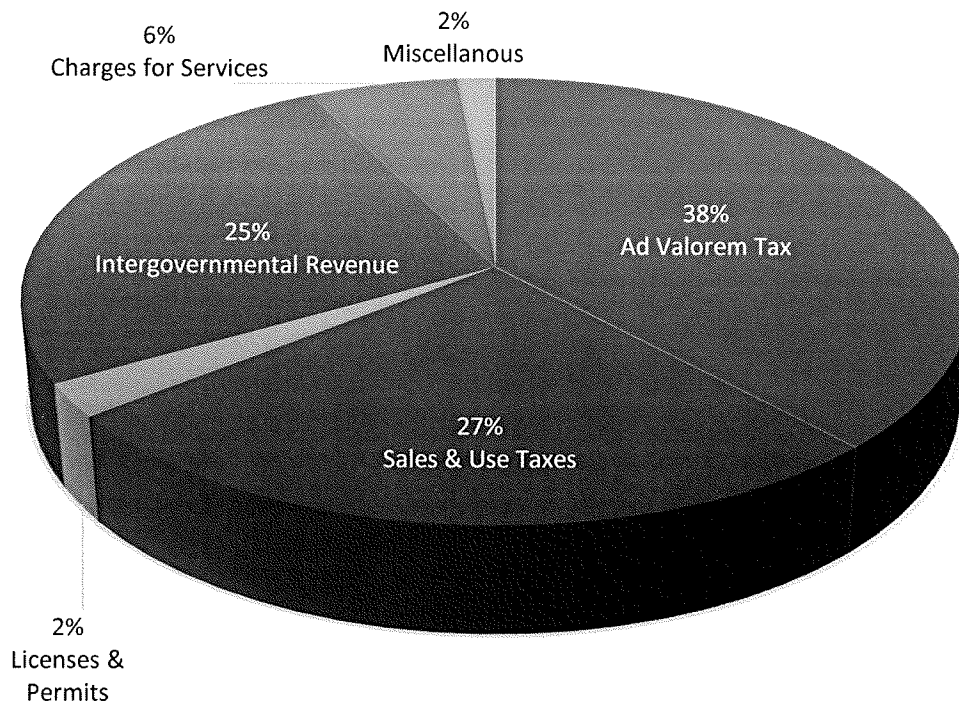


Anthony Hunter

General Fund Revenues

General Fund revenue projections for Fiscal Year 2014-2015 indicate a decrease of \$109,660 or 4.7% compared to the adopted Fiscal Year 2013-2014 budget. Most revenues increased this year, however, the decrease is directly related to the reduction of the Polk County Fire Agreement. The following table summarizes general fund revenue sources:

	2014-2015	2013-2014
Estimated Revenues		
Ad Valorem	871,200	851,290
Franchise & Utility Taxes	601,000	562,050
Licenses & Permits	55,000	42,000
Intergovernmental Revenue	570,520	563,110
Charges for Services	133,390	309,820
Miscellaneous Revenues	34,900	47,400
Total Revenues	2,266,010	2,375,670

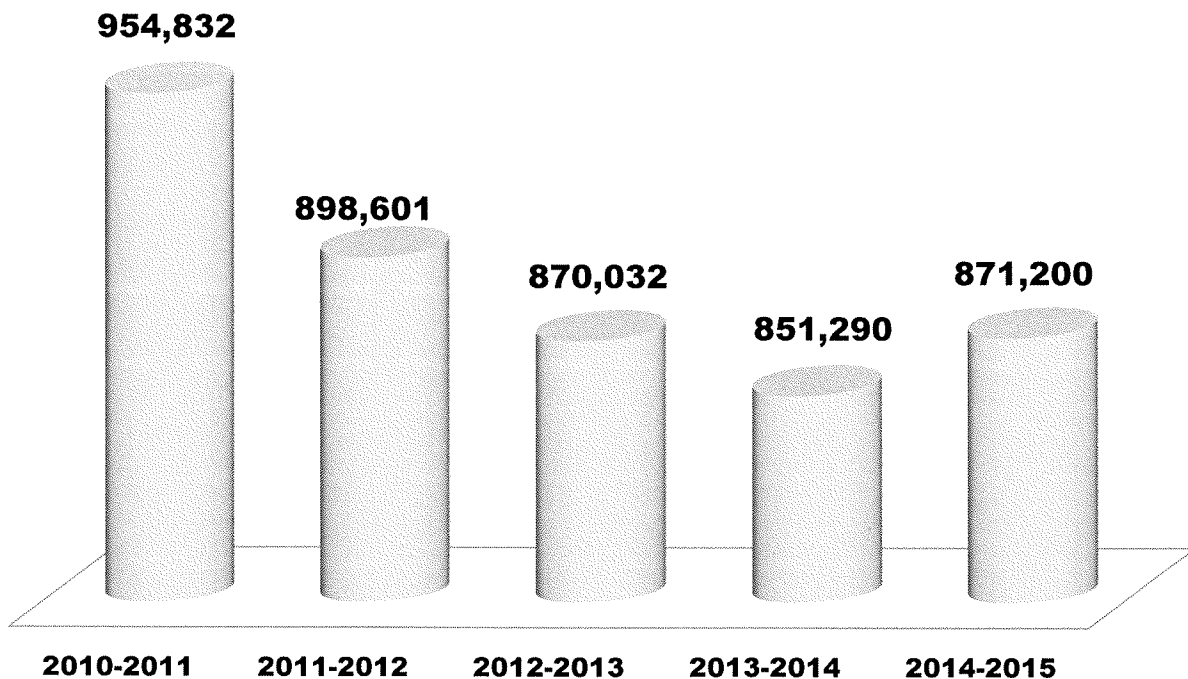


Ad Valorem Tax

Description: A tax on property paid by owners of real and personal property within the City limits. The tax is based on an assessment made by Polk County Property Appraiser on the market value of property and improvements. The City of Frostproof's taxable value increased \$1,955,022 or 1.75%. This revenue source is found in the General Fund.

Forecast Methodology: The millage of 8.0587 is multiplied by every \$1,000 of taxable value, less 5% for possible adjustments to assessed values and/or discounts taken for early payment.

Fiscal Year	Operating Millage Rate	Ad Valorem Proceeds	Taxable Value
2010-2011	7.8209	954,832	123,476,582
2011-2012	7.8209	898,601	121,266,226
2012-2013	7.8209	870,032	114,533,894
2013-2014	8.0587	851,290	111,841,774
2014-2015	8.0587	871,200	113,796,796

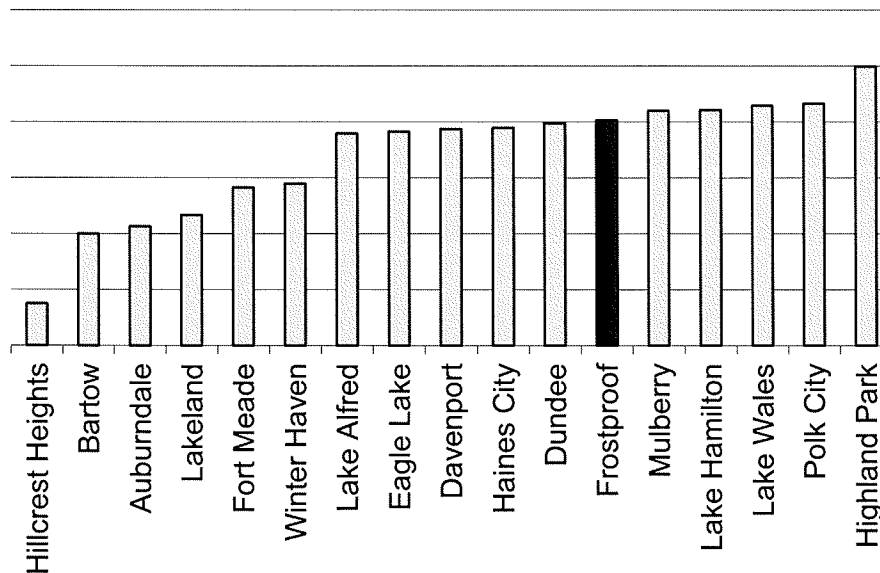


Millage Rate

The proposed property tax millage rate for operating purposes is 8.0587. By State Statute, the operating property tax rate is restricted to no more than 10 mills (\$10 per \$1,000 of taxable value) for municipalities. The following is a comparison of millage rates for Polk County Municipalities for fiscal year 2013-2014:

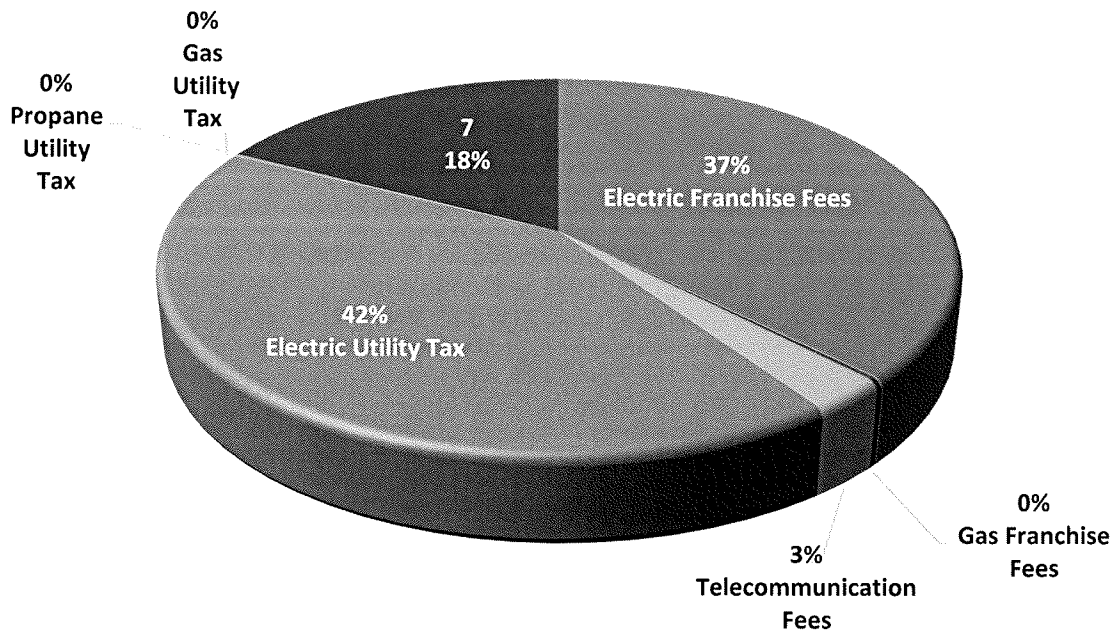
Polk County Millage Rates 2013-2014*	
City	Millage
Hillcrest Heights	1.5000
Bartow	3.9960
Auburndale	4.2657
Lakeland	4.6644
Fort Meade	5.6484
Winter Haven	5.7900
Lake Alfred	7.5890
Eagle Lake	7.6516
Davenport	7.7500
Haines City	7.7900
Dundee	7.9495
Frostproof	8.0587
Mulberry	8.4000
Lake Hamilton	8.4276
Lake Wales	8.5866
Polk City	8.6547
Highland Park	9.9759

**FY15 Millage rates not available*



Franchise and Utility Taxes

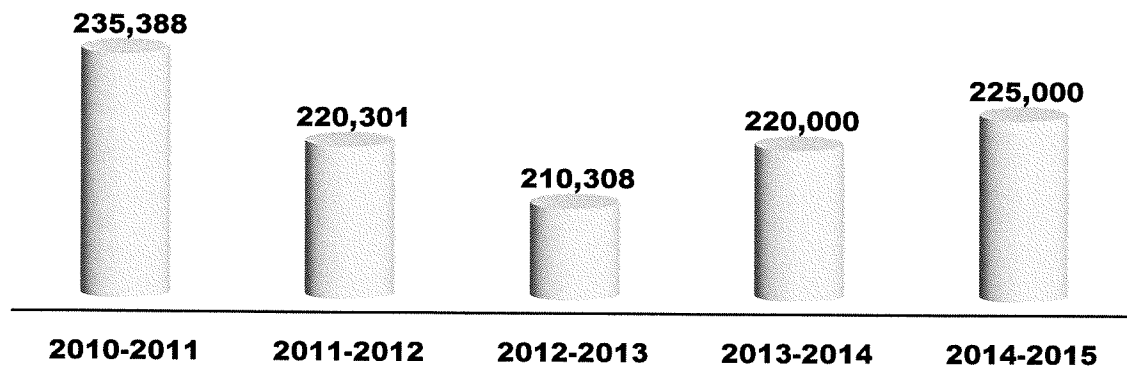
Franchise & Utility Taxes	601,000	
Electric Franchise Fees	225,000	37%
Gas Franchise Fees	1,500	0%
Telecommunication Fees	16,500	3%
Electric Utility Tax	250,000	42%
Gas Utility Tax	2,000	0%
Propane Utility Tax	1,000	0%
Communications Service Tax	105,000	17%



Electric Franchise Fees

Description: Franchise fees are established by franchise agreements between the City and service providers of electricity and natural gas. The City entered into an agreement with Duke Energy (f/k/a Progress Energy) on October 22, 1996, wherein, Duke Energy remits 6% of its base revenues to the City.

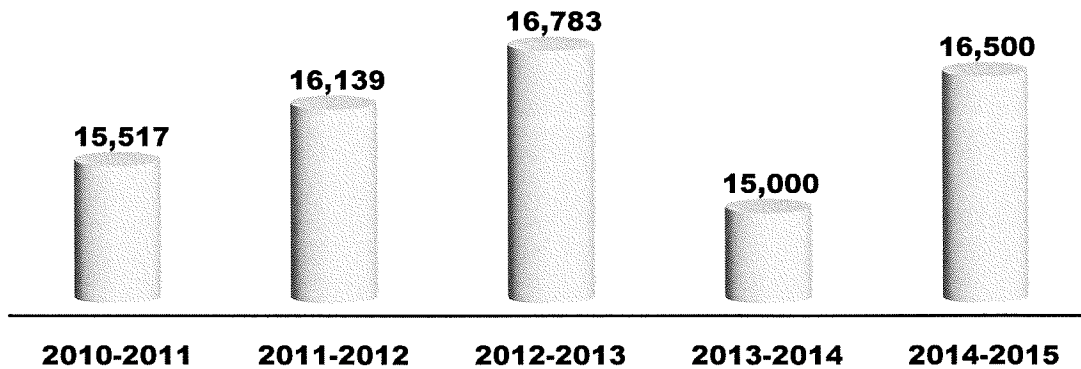
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Communication Franchise Fee

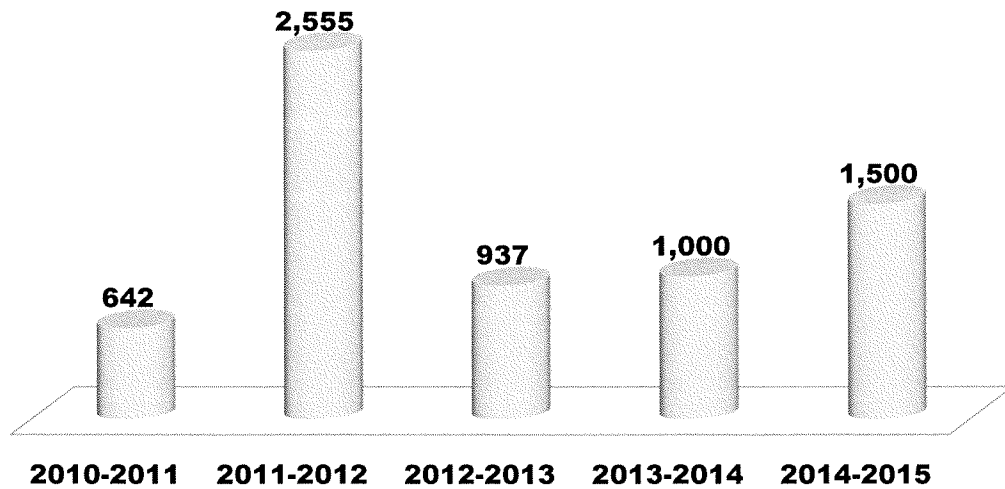
Description: On December 15, 2008 the City of Frostproof entered into an agreement with Utility Service Communications Co., Inc. (USC). This agreement allowed USC to construct wireless communication towers on the City's water tank located at 67 North Lake Reedy Blvd. The City will receive seventy percent of gross annual site fees collected by USC in a calendar year, proceeds are received by the City in February for prior year.

Forecast Methodology: This revenue is forecasted by the contract with USC. However, if a contract is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



Gas Franchise Fee

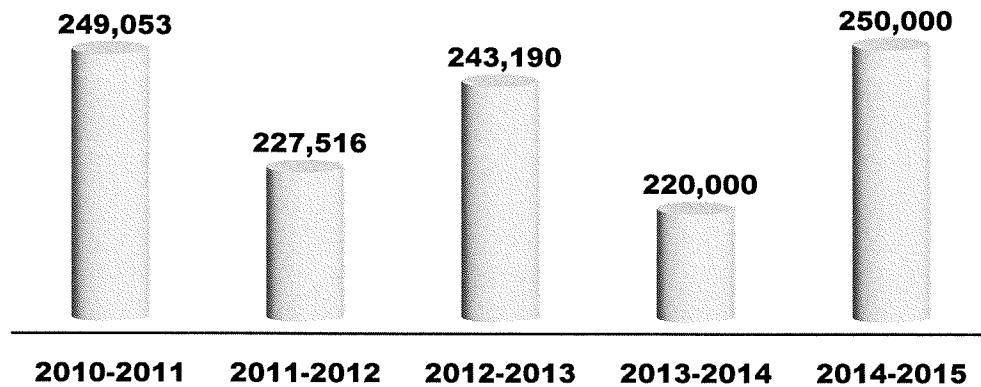
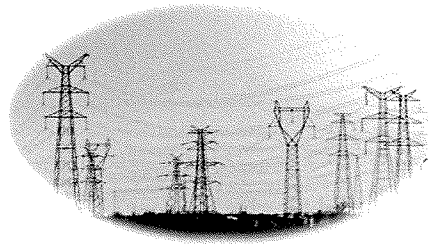
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Electric Utility Tax

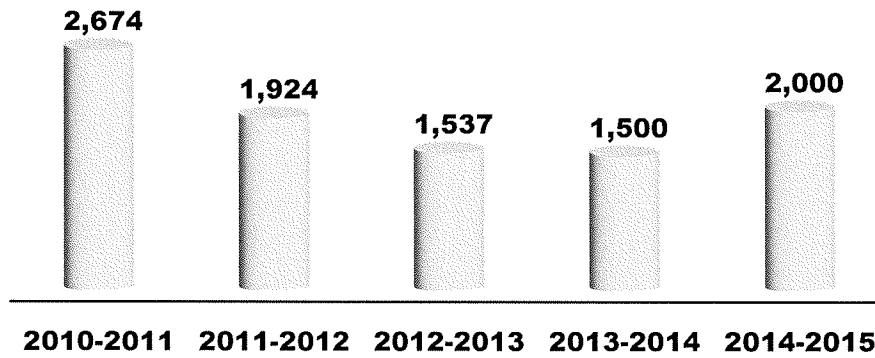
Description: Utility Taxes are taxes that are levied by the City on all companies that supply utilities within the City limits. The City currently receives taxes from Duke Energy (f/k/a Progress Energy) and various propane gas companies.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.

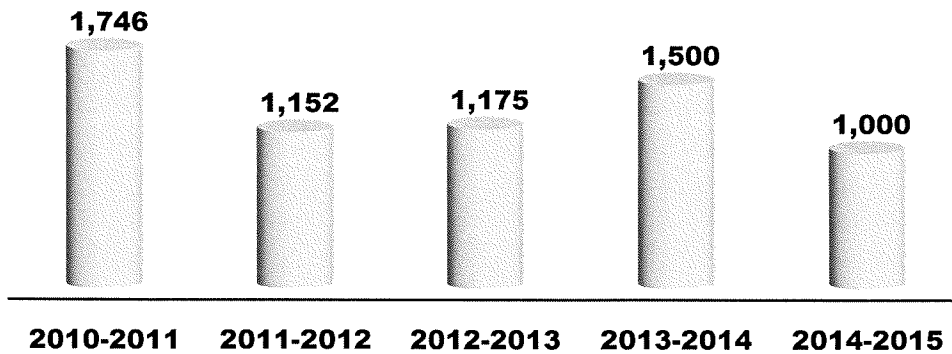


Gas and Propane Utility Taxes

Gas Utility Tax



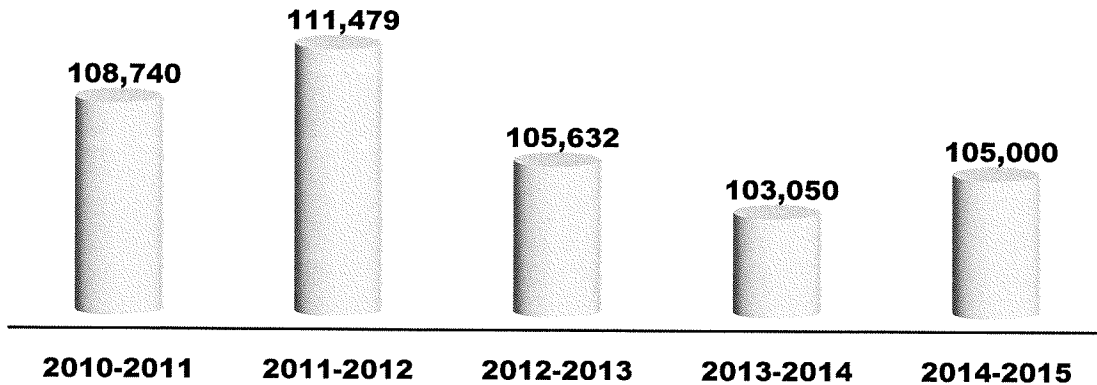
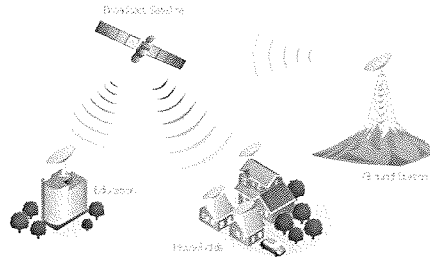
Propane Utility Tax



Communication Service Tax

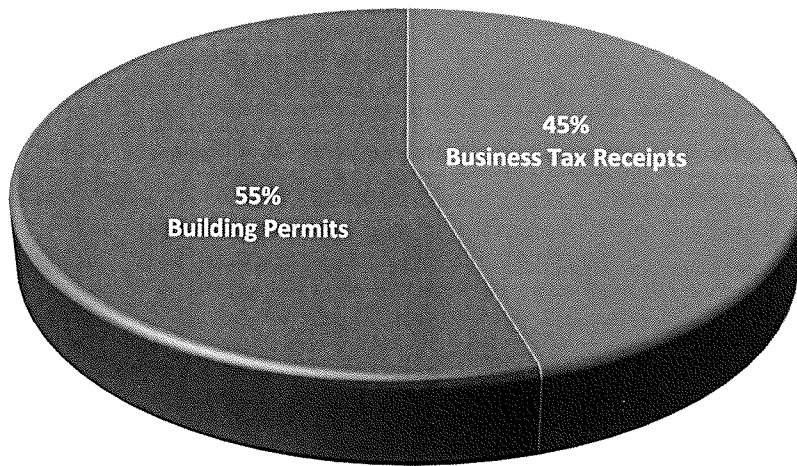
Description: The Communication Service Tax Law was enacted to restructure taxes on telecommunications, cable, direct-to-home satellite, and related services that existed prior to October 1, 2001. Communication Services encompasses voice, data, audio, video, or any other information or signals, including cable services, that are transmitted by any medium. The tax is imposed on retail sales of communications services which originate and terminate in the State. Tax proceeds are transferred to county and municipal governments, the Public Education Capital Outlay and Debt Service Trust Fund, and the State's General Revenue Fund.

Forecast Methodology: This revenue is forecasted by the State of Florida. However, if data is not available in time for the proposed budget, the main factors considered in projecting this revenue would be historical data.



Licenses and Permits

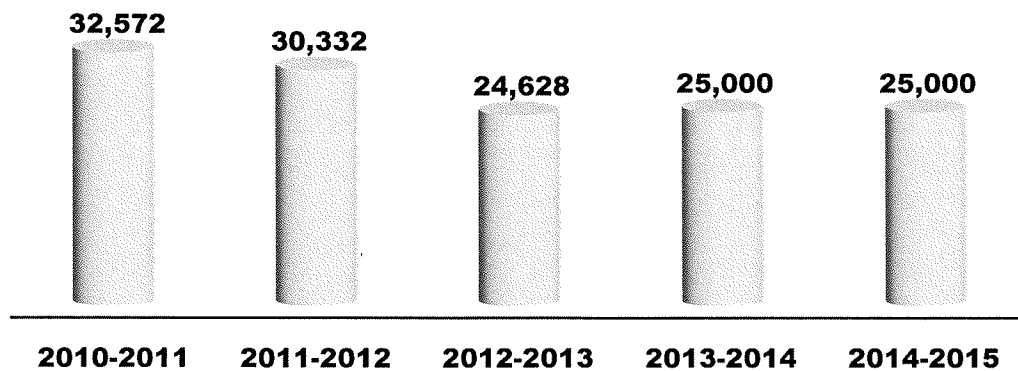
Licenses & Permits	55,000	
Business Tax Receipts	25,000	45%
Building Permits	30,000	55%



Local Business Tax

Description: The local business tax represents fees charged and the method by which a local government authority grants the privilege of engaging in or managing any business, profession, and occupation within its jurisdiction. Counties and municipalities may levy a business tax and the tax proceeds are considered general revenue for the local government. This tax does not refer to any fees or licenses paid to any board, commission, or officer for permits, registration, examination, or inspection.

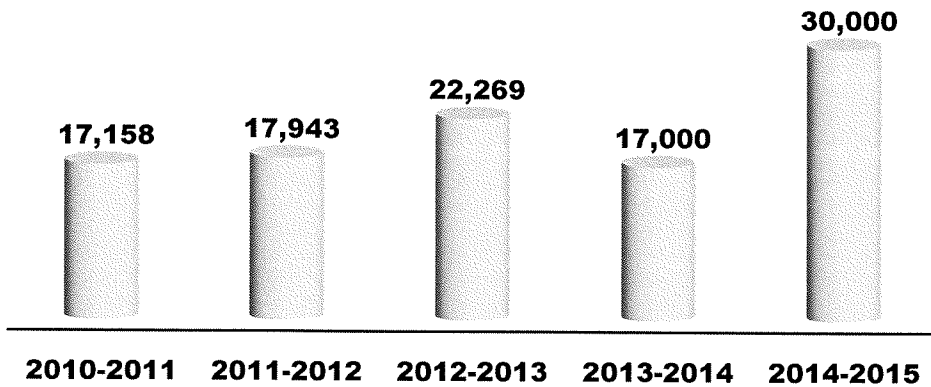
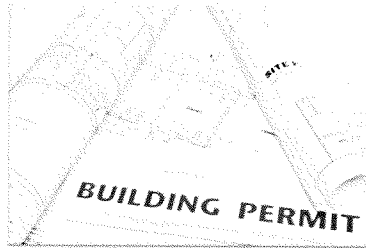
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Building Permits

Description: Fees are charged to contractors and homeowners in accordance with a City resolution.

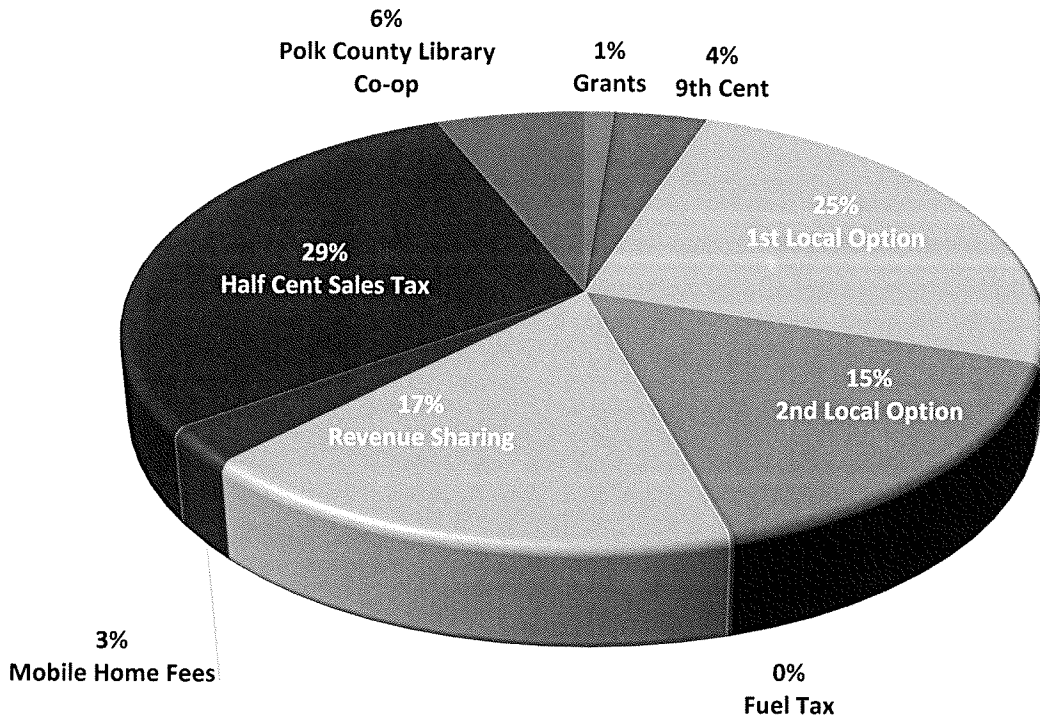
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Intergovernmental Revenues

Intergovernmental Revenue 570,520

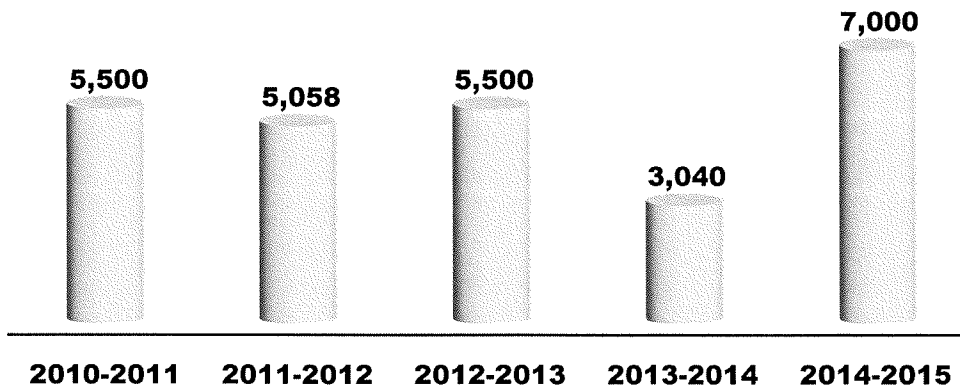
Police/Fire Grants	7,000	1%
9th Cent Gas Tax	22,000	4%
1st Local Option Gas Tax	142,580	25%
2nd Local Option Gas Tax	88,120	15%
Fuel Tax Refund	1,000	0%
Revenue Sharing	94,780	17%
Mobile Home Fees	15,000	3%
Half Cent Sales Tax	165,040	29%
Polk County Library Co-op	35,000	6%



Police/Fire Grants

Description: Police grants are obtained with the assistance of Polk County Sheriff Office and Florida Department of Law Enforcement. Fire grants are obtained through our grant administrators and staff.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Department of Economic Opportunity Grant

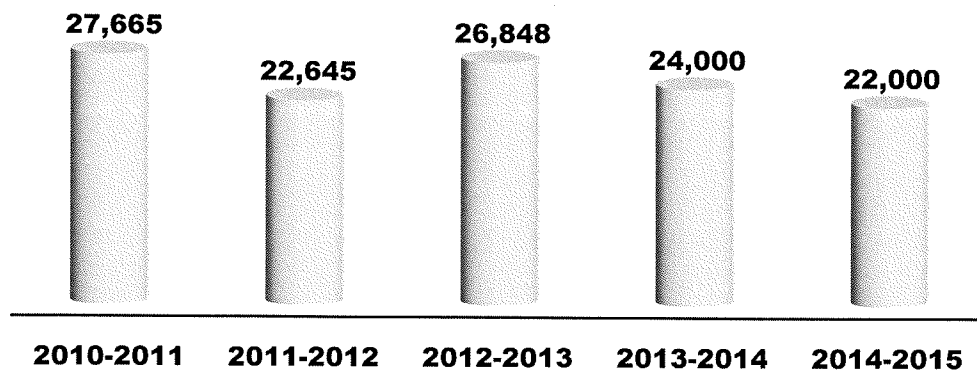
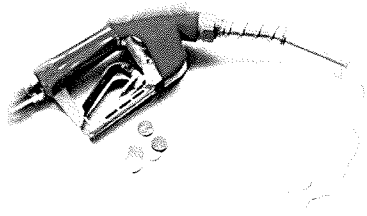
Description: The City applied for a Community Redevelopment grant but was not awarded for fiscal year 2014-2015.



9th Cent Fuel Tax

Description: County governments are authorized to levy up to 12 cents of local option fuel taxes in the form of three separate levies. The first is a tax of 1 cent on every net gallon of motor and diesel fuel sold within a county. Known as the ninth-cent fuel tax, this tax may be authorized by an ordinance adopted by an extraordinary vote of the governing body or voter approval in a countywide referendum. Generally, these proceeds may be used to fund transportation expenditures.

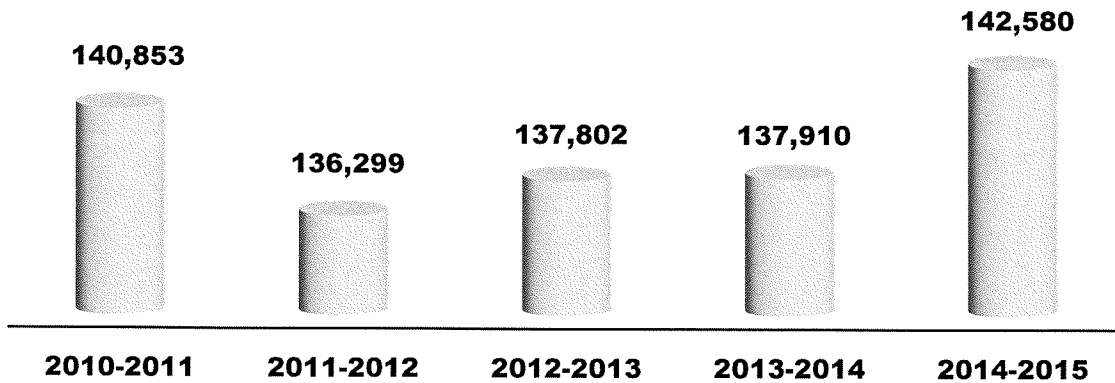
Forecast Methodology: This revenue is forecasted by the State of Florida. However, if data is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



First Local Option Fuel Tax

Description: County and Municipal governments are authorized to levy up to 12 cents of local option fuel taxes in the form of three separate levies. The first is a tax of 1 to 6 cents on every net gallon of motor and diesel fuel sold within a county. This tax may be authorized by an ordinance adopted by a majority vote of the governing body or voter approval in a countywide referendum. Generally, the proceeds may be used to fund transportation expenditures.

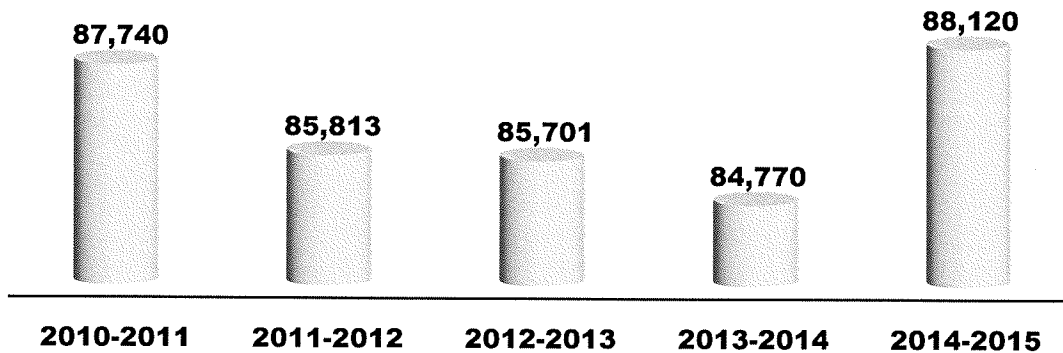
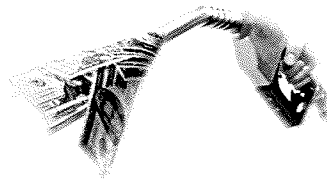
Forecast Methodology: This revenue is forecasted by the State of Florida. However, if data is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



Second Local Option Fuel Tax

Description: County governments are authorized to levy up to 12 cents of local option fuel taxes in the form of three separate levies. The second is a tax of 1 to 5 cents on every net gallon of motor fuel sold within a county. Diesel fuel is not subject to this tax. This additional tax shall be levied by an ordinance adopted by a majority plus one vote of the membership of the governing body or voter approval in a countywide referendum. Proceeds received from this additional tax may be used for transportation expenditures needed to meet the requirements of the capital improvements element of an adopted local government comprehensive plan or for expenditures needed to meet immediate local transportation problems and for other transportation related expenditures that are critical for building comprehensive roadway networks by local governments.

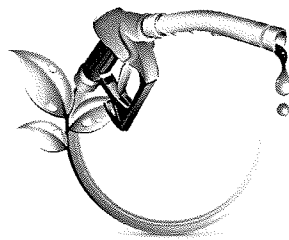
Forecast Methodology: This revenue is forecasted by the State of Florida. However, if data is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



Fuel Tax Refund

Description: Under separate authorizations, eligible counties, municipalities, and school Districts may be entitled to refunds or credits on taxes paid on motor or diesel fuel. Generally, the refunded monies are to be used to fund the construction, reconstruction and maintenance of roads.

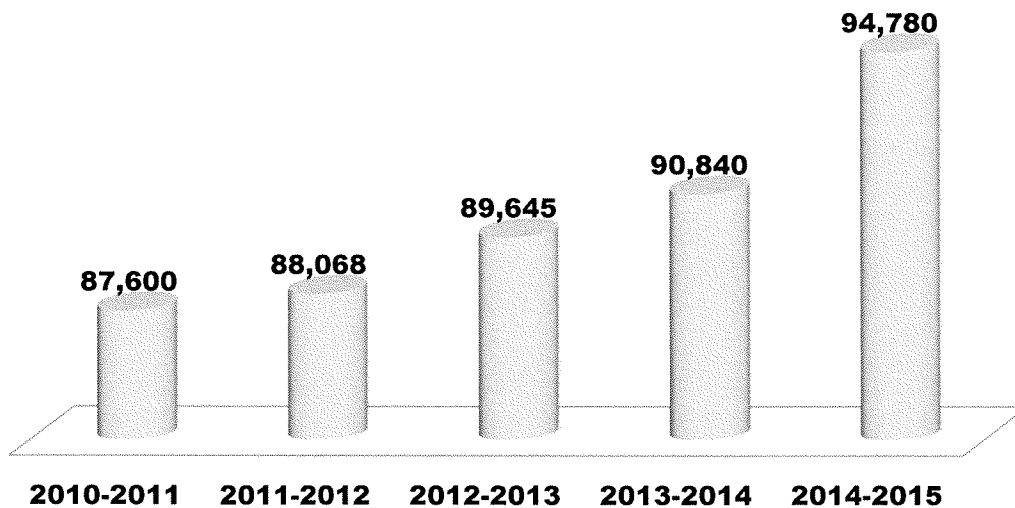
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



State Revenue Sharing

Description: Revenue received from the Municipal Revenue Sharing Trust Fund for municipalities of the State. Currently, the trust fund receives 1.3409 percent of sales and use tax collections, 12.5 percent of the state alternative fuel user decal fee collections, and the net collections from the one-cent municipal fuel tax. An allocation formula serves as the basis for the distribution of these revenues to each municipality that meets strict eligibility requirements.

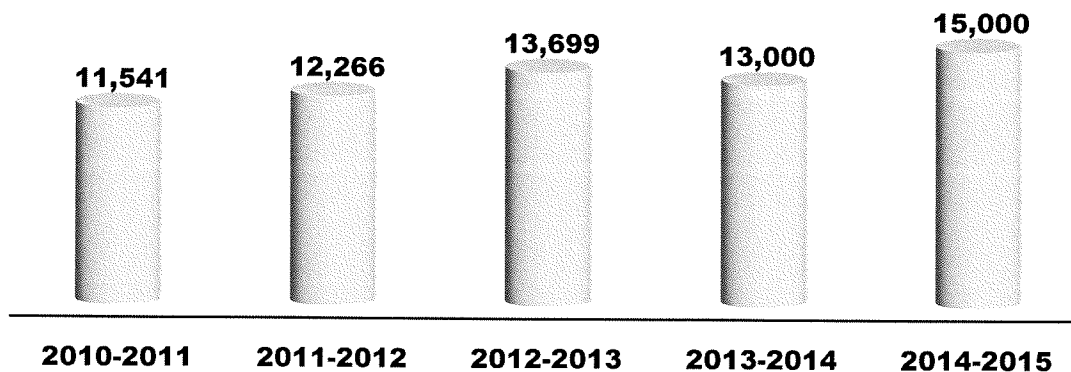
Forecast Methodology: This revenue is forecasted by the State of Florida. However, if data is not available in time for the proposed budget, the main factors considered in projecting this revenue would be historical data.



State of Florida Mobile Home License Tax

Description: Counties, municipalities and school districts receive proceeds from an annual license tax levied on all mobile homes and park trailers, and on all travel trailers and fifth-wheel trailers exceeding 35 feet in body length. The license taxes, ranging from \$20 to \$80 depending on vehicle type and length, are collected in lieu of ad valorem taxes. Half of the proceeds are remitted to the respective district school board. The other half is distributed to the respective municipalities depending on the location of such units or the county if the units are located in the unincorporated area. The use of the revenue is at the discretion of the governing body

Forecast Methodology: The main factor considered in projecting this revenue is historical data.

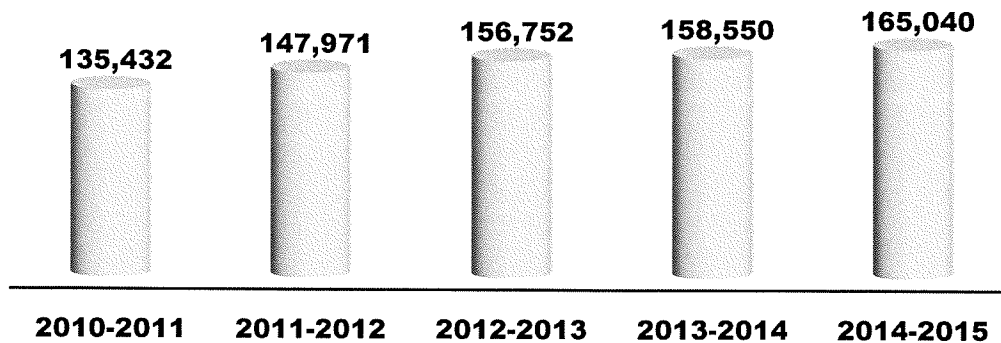


Half-Cent Sales Tax

Description: Created in 1982, this program generates the largest amount of revenue for local governments among the state-shared revenue sources authorized by the Legislature. The program is administered by the Department of Revenue. Net sales tax proceeds are transferred to the Local Government Half-Cent Sales Tax Clearing Trust Fund. The Department is authorized to deduct the 7.3 percent General Revenue Service Charge from this trust fund. Monies in the trust fund shall be distributed monthly to participating counties and municipalities.

The program’s primary purpose is to provide relief from ad valorem and utility taxes in addition to providing municipalities with revenues for local programs.

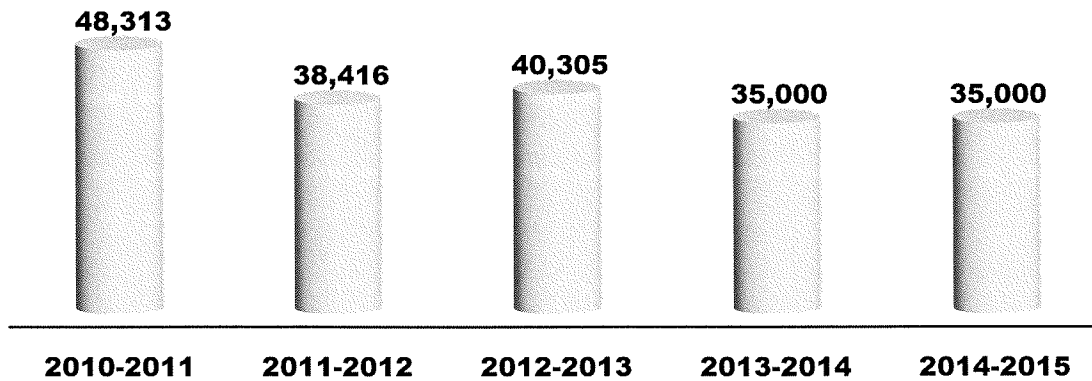
Forecast Methodology: This revenue is forecasted by the State of Florida. However, if data is not available in time for the proposed budget, the main factors considered in projecting this revenue would be historical data.



Polk County Library Cooperative

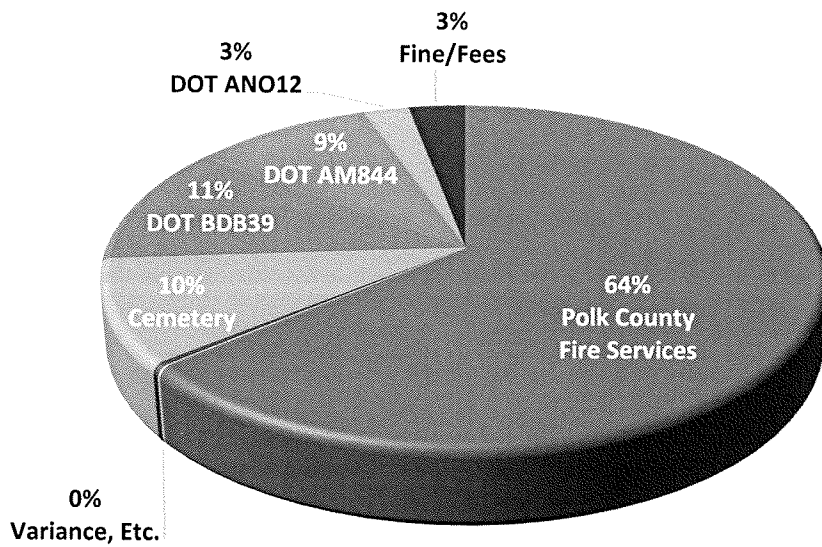
Description: The City of Frostproof entered into an agreement with Polk County to cooperate in a countywide agreement to provide library services without charge to all persons residing in the city limits including residents of the unincorporated areas and those incorporated areas not served by a public library.

Forecast Methodology: This revenue is forecasted by the agreement with Polk County. However, if a contract is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



Charges for Services

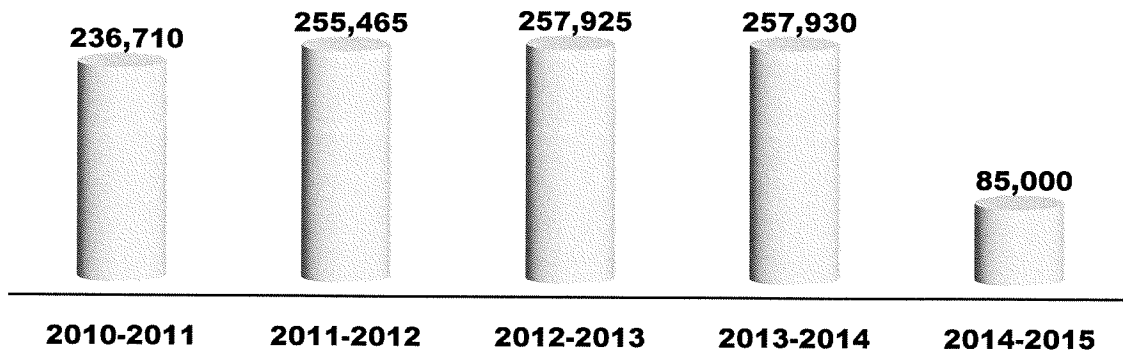
Charges for Services	133,390	
Polk County Fire Services	85,000	64%
Variance/Zoning/Annexation	500	0%
Cemetery	13,000	10%
DOT BDB39	15,150	11%
DOT AM844	12,520	9%
DOT AN012	3,220	2%
Library Fines/Fees	4,000	3%



Polk County Fire Protection

Description: The City of Frostproof entered into an agreement with Polk County to provide fire protection services outside the city limits. The reduction in 2014-2015 is directly related to the protection area outside the city limits being reduced. This agreement is updated annually.

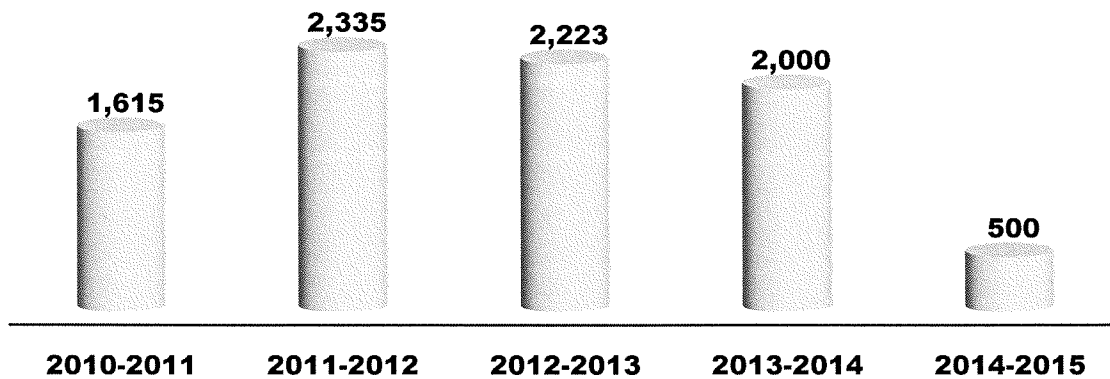
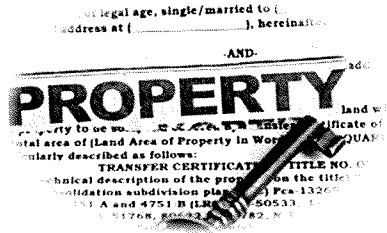
Forecast Methodology: This revenue is forecasted by the agreement with Polk County. However, if a contract is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



Zoning & Variance Fees

Description: The City of Frostproof charges zoning and variance fees per a resolution established by City Council.

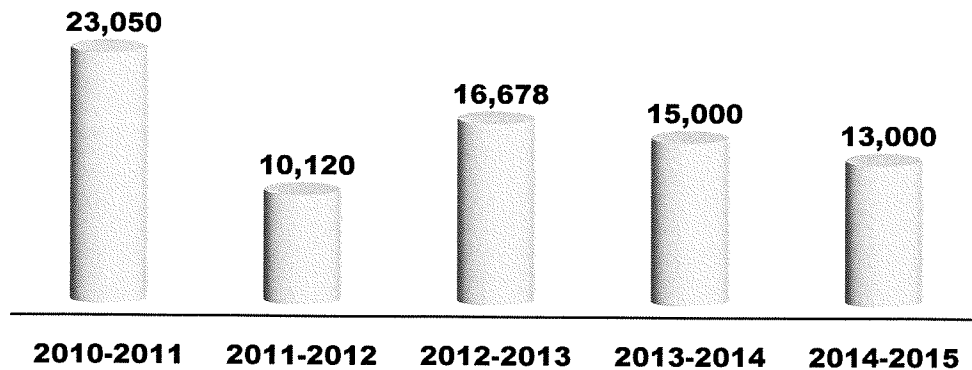
Forecast Methodology: This revenue is forecasted using historical data.



Cemetery Sales

Description: These revenues are derived from the direct sales of cemetery plots sold at Silver Hill Cemetery.

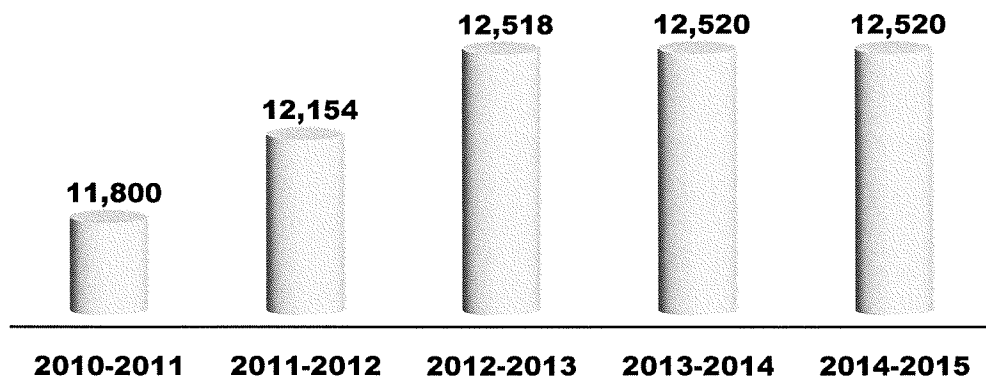
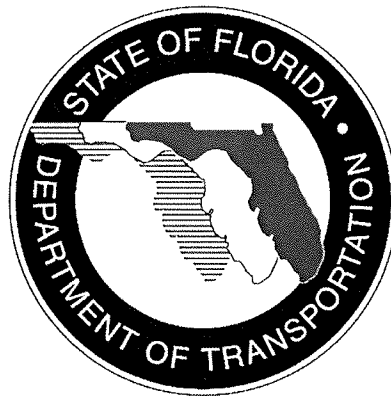
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



State of Florida Department of Transportation State Highway Lighting Maintenance (AM844)

Description: On August 14, 2002 the City of Frostproof (the City) entered into a maintenance and compensation agreement with the State of Florida Department of Transportation (FDOT). The City maintains the lighting for roadways and recreational areas owned by or located on FDOT property located on the State Highway System within the jurisdictional boundaries of the City. In July of each year, the contract is reviewed and renewed.

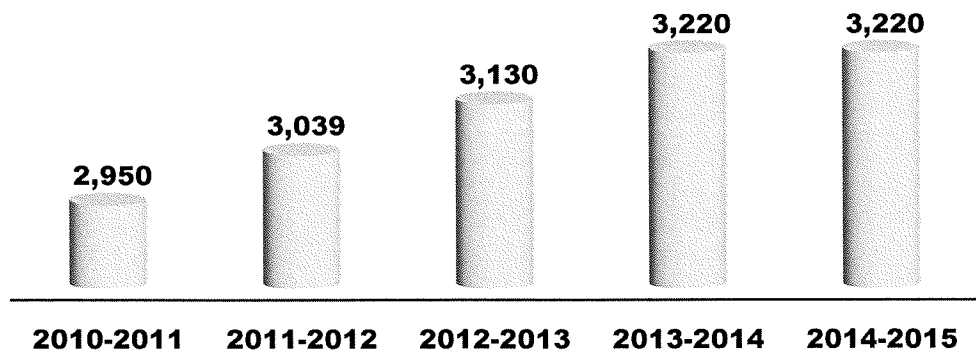
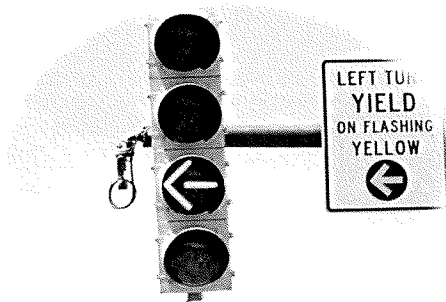
Forecast Methodology: This revenue is forecasted by the contract with FDOT. However, if a contract is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



State of Florida Department of Transportation Traffic Signal Maintenance (AN012)

Description: On August 19, 1998 the City of Frostproof entered into a maintenance and compensation agreement with the State of Florida Department of Transportation (FDOT). The City maintains the traffic signals located at the intersections of SR17 and Wall Street and SR17 and CR630 owned by FDOT. In July of each year, the contract is reviewed and renewed.

Forecast Methodology: This revenue is forecasted by the contract with FDOT. However, if a contract is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



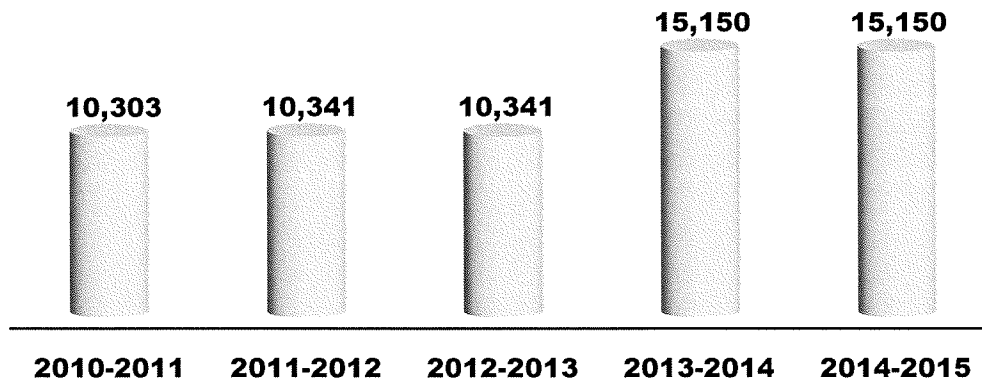
State of Florida Department of Transportation Mowing Maintenance (BDR81)

Description: On February 3, 1994 the City of Frostproof (the City) entered into a maintenance and compensation agreement with the State of Florida Department of Transportation (FDOT). The City is responsible for mowing and maintaining areas owned by or located on FDOT property located on the State Highway System within the jurisdictional boundaries of the City. In April of each year, the contract is reviewed and renewed.

Forecast Methodology: This revenue is forecasted by the contract with FDOT. However, if a contract is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



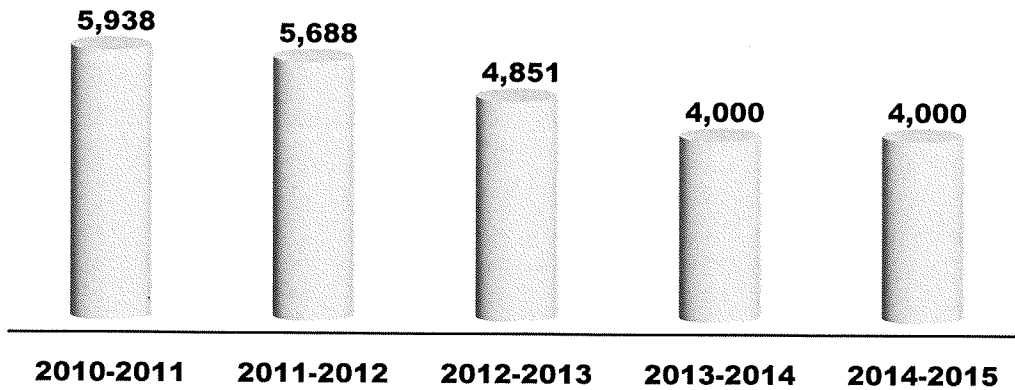
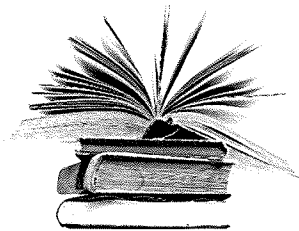
Florida Department of
TRANSPORTATION



Library Fees

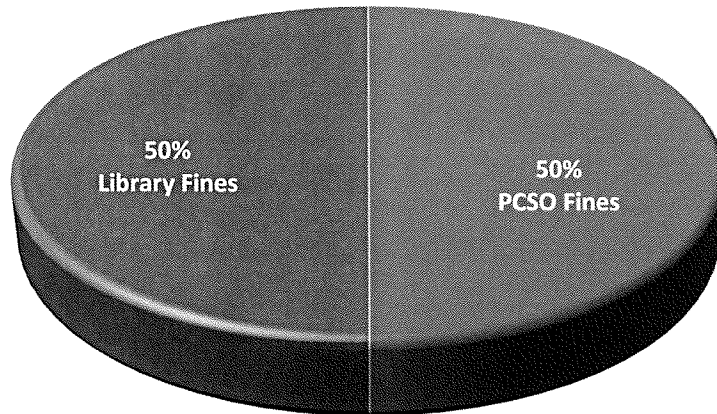
Description: These revenues are received from patrons of the Latt Maxcy Library for copies and faxes.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Fines and Forfeitures

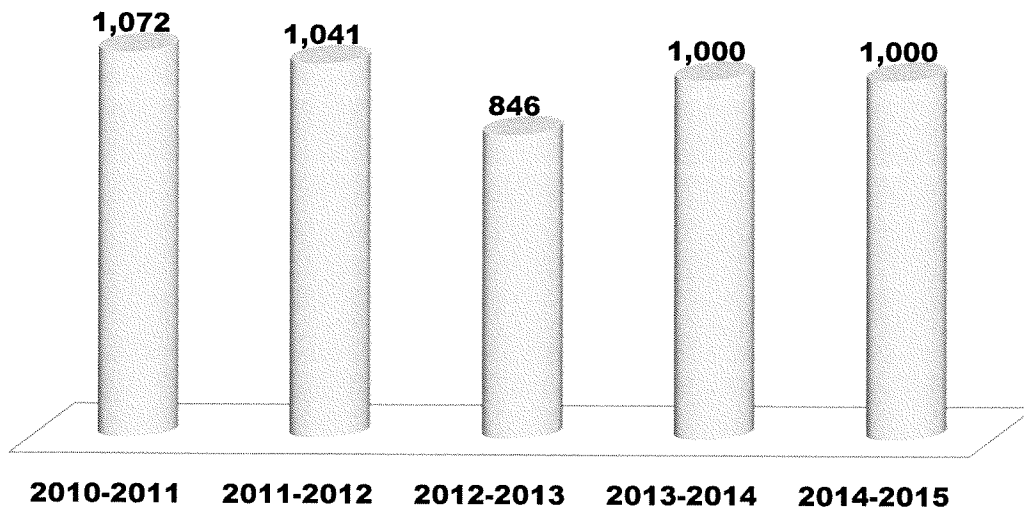
Fines & Forfeitures	2,000	
Library Fines	1,000	50%
PCSO Fines	1,000	50%



Polk County Sheriff Office Fines and Forfeitures

Description: These revenues are received from Polk County Clerk of Courts for fines charged to citizens for traffic and criminal citations.

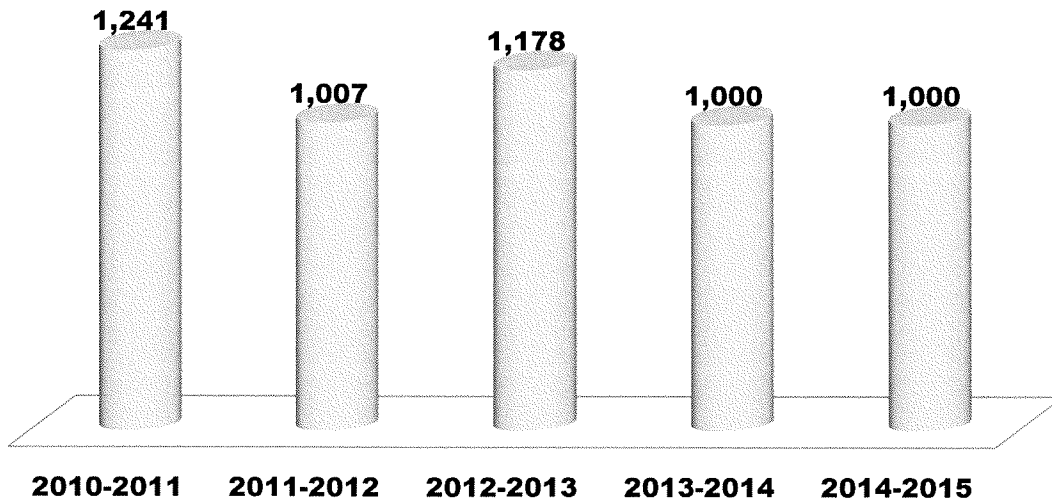
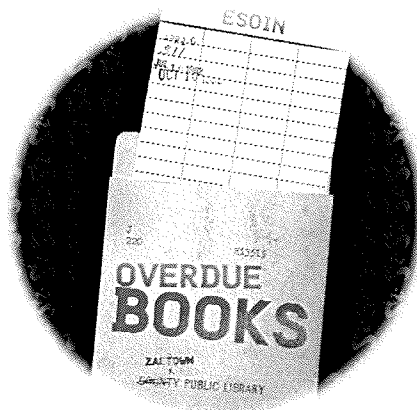
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Library Fines

Description: These revenues are received from patrons of the Latt Maxcy Library for fines.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Investment Income



Clay Pittman

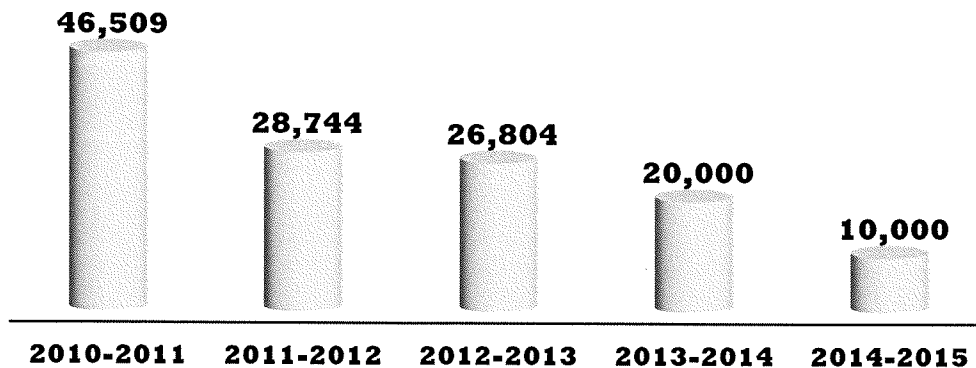


Mark Cooler

Operating Interest

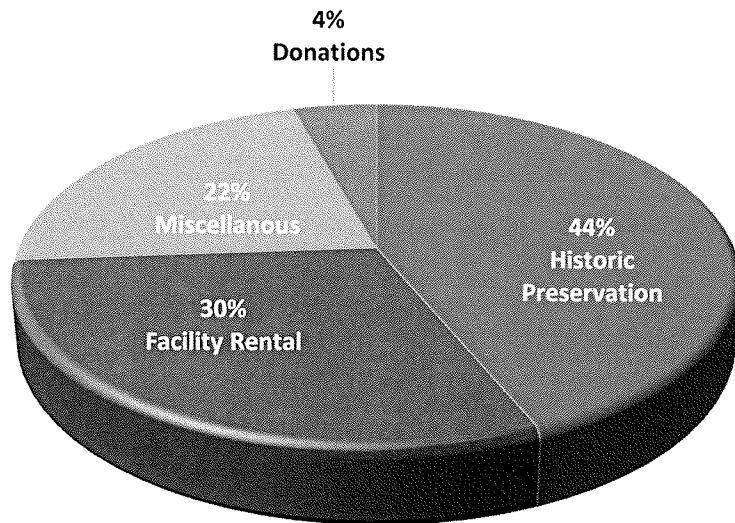
Description: The City invests with various banks resulting in revenues derived from interest.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Miscellaneous Revenues

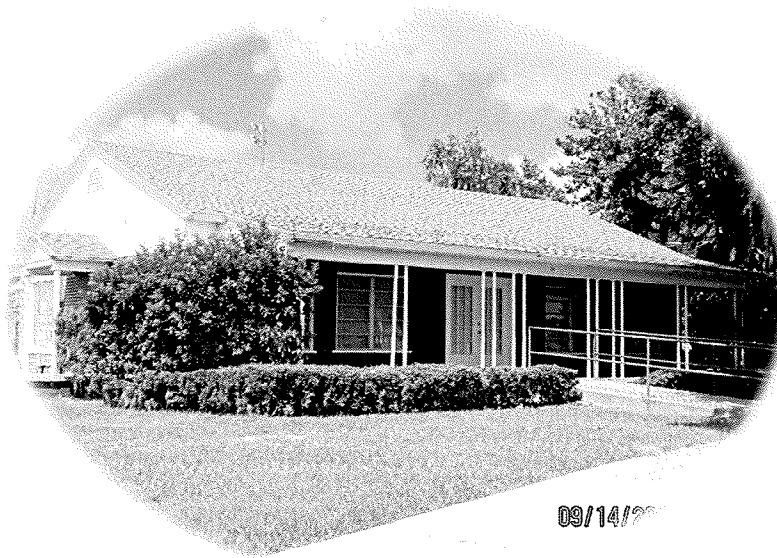
Misc. Revenues	22,900	
Historic Preservation	10,000	44%
Facility Rental	6,900	30%
Misc.	5,000	22%
Donations	1,000	4%



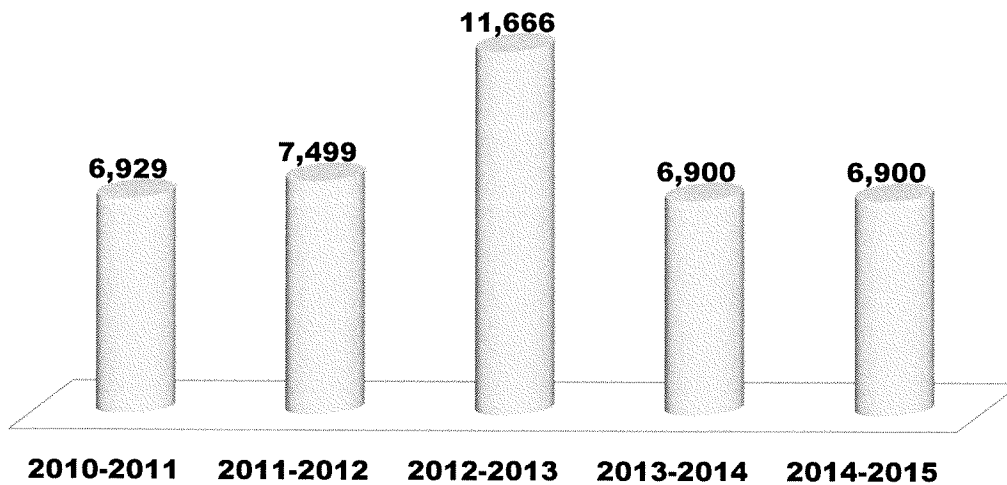
Facilities Rental

Description: These revenues are received from the rental of City facilities.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



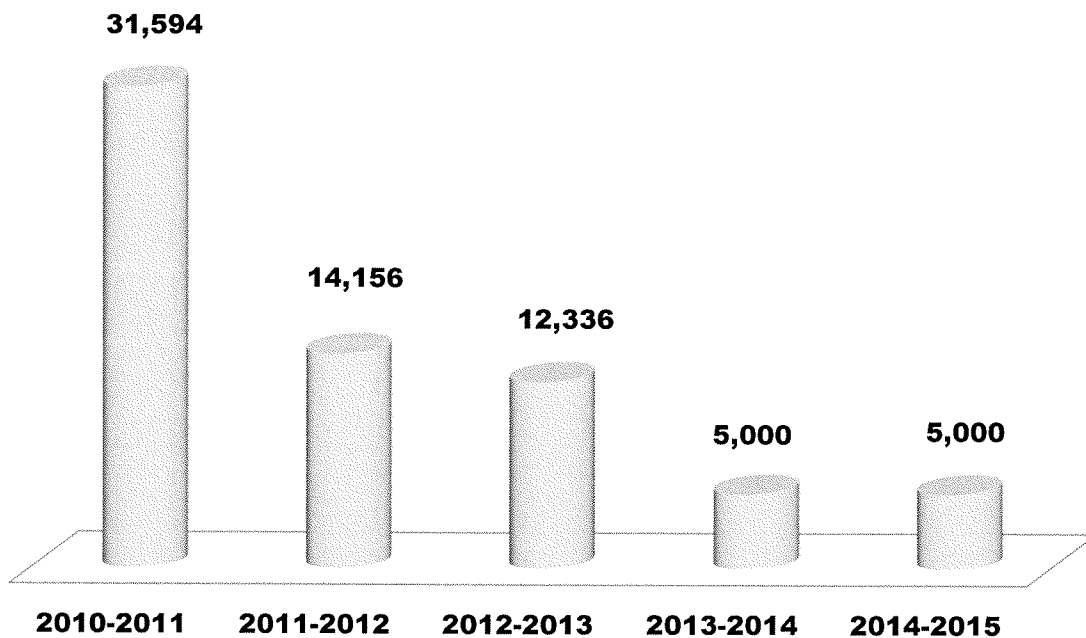
Women' Club



Miscellaneous

Description: Miscellaneous revenues are received from various individuals, corporations, and companies and include funds from reimbursement of insurance premiums, etc.

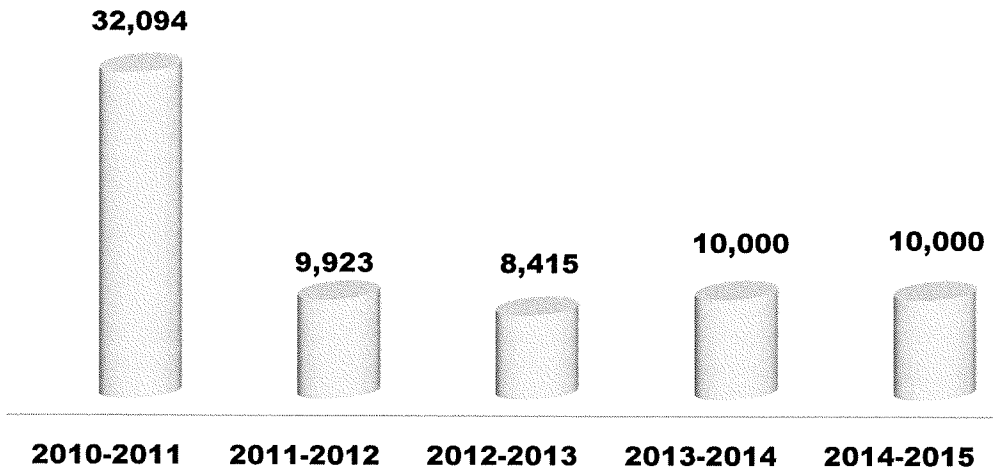
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Historic Preservation

Description: Revenues are received from functions held in the auditorium and are utilized strictly for the renovation of the auditorium.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



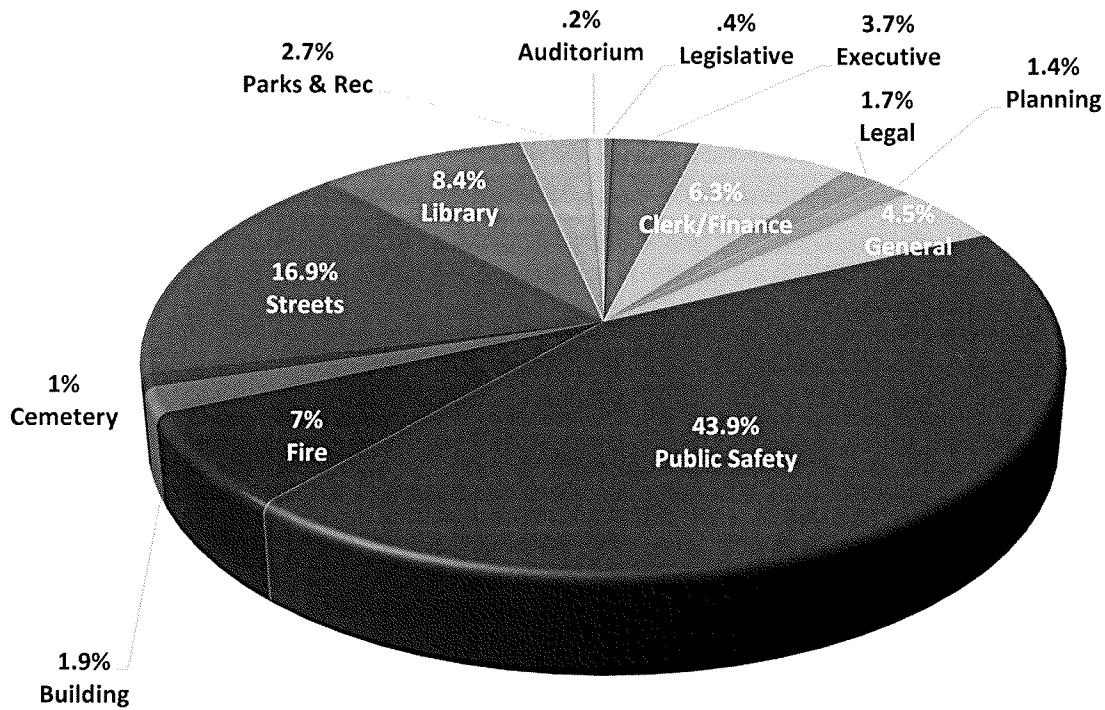
General Fund Expenses



City Hall

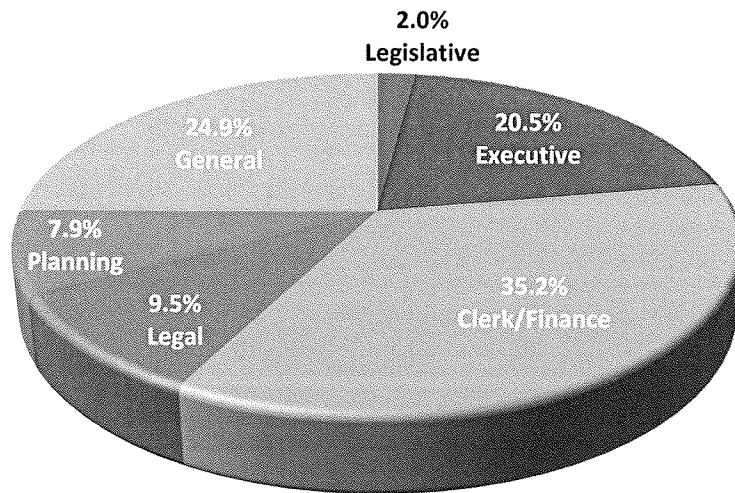
Expenditures by Department

Department	2013-2014	2014-2015	%
Legislative	7,960	8,570	0.4%
Executive	83,100	85,740	3.7%
Clerk/Finance	164,370	147,400	6.3%
Legal	42,000	40,000	1.7%
Planning	31,500	32,990	1.4%
General	103,720	104,300	4.5%
Public Safety	900,940	1,025,650	43.9%
Fire Department	166,000	164,020	7.0%
Building	30,400	44,100	1.9%
Cemetery	22,370	23,470	1.0%
Streets	379,270	395,590	16.9%
Library	179,680	196,560	8.4%
Parks & Recreation	58,880	63,070	2.7%
Historic Auditorium	16,500	3,600	0.2%



General Government Expenses

Legislative	8,570	2.0%
Executive	85,740	20.5%
Clerk/Finance	147,400	35.2%
Legal	40,000	9.5%
Planning	32,990	7.9%
General	104,300	24.9%



Legislative



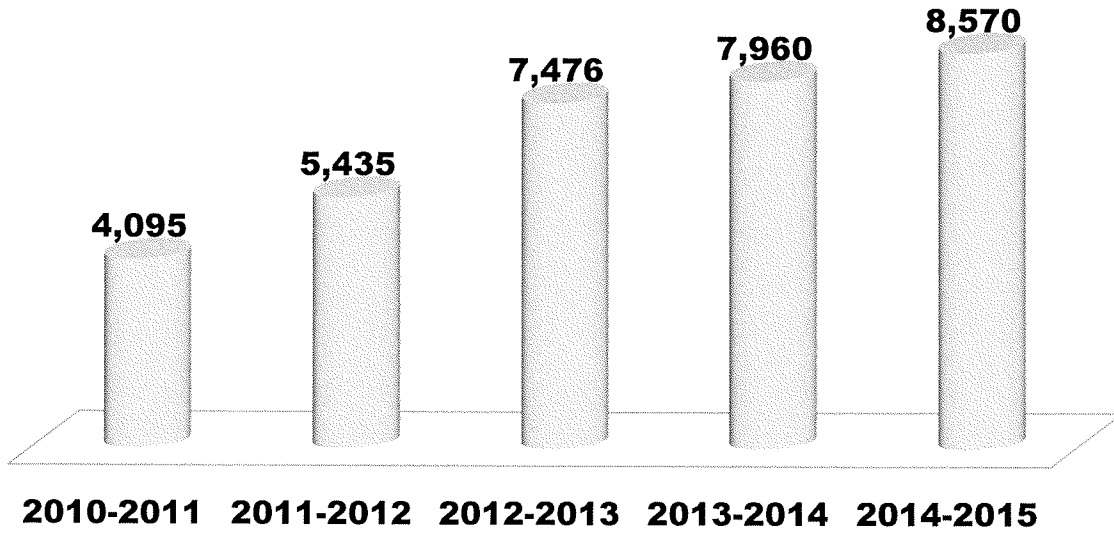
Diana Webster-Biehl, Ralph Waters, Anne Dickinson, Martha Neher, Louis Goddard

Legislative - Total Operating Budget \$8,570 – Mayor and Council operate in accordance with the Charter of the City of Frostproof. They are responsible for enacting ordinances and resolutions while providing direction to the City Manager. Council meets regularly with the public and provides information on matters of community concern. The goal of Council is to provide responsible legislation, ensure the safe, efficient and fair operation of City government.

Council consists of five members who are voted into office by the citizens. Each member serves a three-year term. At the first regular Council meeting after each regular election, the new Council shall elect one of its members as Mayor and another as Vice Mayor.

Council meetings are held the first and third Mondays of each month at 6:00 p.m. at City Hall to discuss legislation pertaining to general City business. All meetings are posted and open to the public.

Legislative (Continued)



Expenses by Line Item	2013-2014	2014-2015
Executive Salaries	3,600	3,600
FICA Taxes	230	230
Medicare Taxes	60	60
Travel & Per Diem	2,000	2,000
Communication/Phones	10	10
Promotional Activities - FLC	540	300
Office Supplies	150	800
Miscellaneous Supplies	50	50
Memberships & Affiliations	620	620
Schools/Conference Registration	700	900
	7,960	8,570

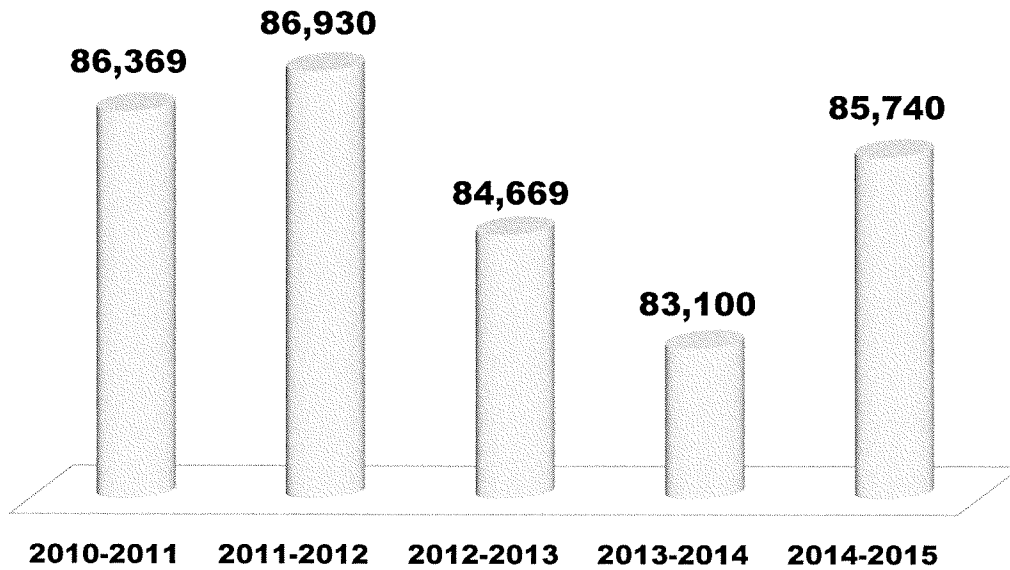
Executive Department



Tenny Croley, City Manager

Executive Department – Total Operating Budget \$85,740 – The Council shall appoint a City Manager for an indefinite term by a majority vote of the Council. The City Manager is responsible to the Council for the administration of all City affairs placed in his/her charge by or under the charter. The City Manager appoints, directs and supervises the administration of all departments, attends all Council Meetings, faithfully executes provisions of the charter, submits the annual budget, keeps the Council fully advised as to the financial condition and future needs of the City, signs contracts on behalf of the City pursuant to Council directive and performs other duties that may be required by Council.

Executive Department (Continued)



Expenses by Line Item	2013-2014	2014-2015
Executive Salaries	58,530	60,290
Special Pay	750	900
FICA Taxes	3,680	3,800
Medicare Taxes	860	890
Retirement Contributions	3,480	3,480
Medical Insurance	2,700	3,380
Dental Insurance	320	310
Life Insurance	590	530
Workers Comp	450	450
Contract Services	980	990
Equipment under \$1000		1,500
Travel Per Deim	1,600	6,000
Vehicle Allowance	6,000	920
Comm Service - Phones, Pagers	920	70
Postage & Freight	50	100
Promotional Activities	200	50
Contingency		400
Copier Lease	250	630
Office Supplies	500	1,050
Memberships & Prof Affiliation	540	60,290
Schools/Conference Registration	700	900
	83,100	85,740

Clerk/Finance Department

Clerk/Finance Department – Total Operating Budget \$147,400 – Located within this department is the Finance Manager, City Clerk, Utilities Manager and Finance Assistant.

The City Clerk is responsible for all City records, Council Meeting Agendas and Minutes, Business Tax Receipts, Cemetery Records, Human Resources and other duties that may be required.



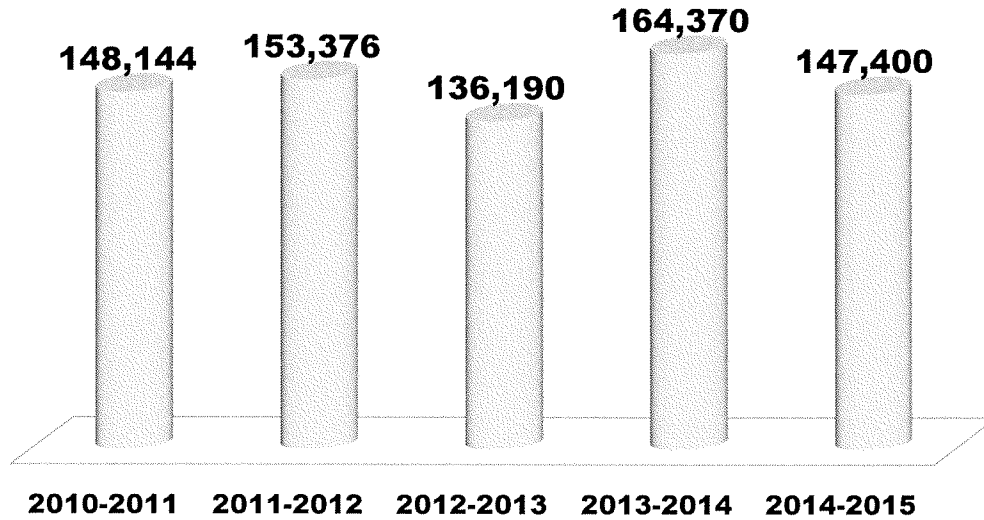
Sarah Adelt, City Clerk

The Finance Department ensures the financial stability of the City by managing all financial functions in an efficient, cost-effective manner. Functions in the Finance Department include debt and cash management, inventory management, purchasing, financial accounting, annual budget, annual audits, accounts payable, accounts receivable, utility billing, technical support and other duties that may be required.



Melody Walsh, Finance Manager; Sharon Bass, Utility Billing Manager; Cheryl Horton, Admin. Assistant

Clerk/Finance Department (Continued)



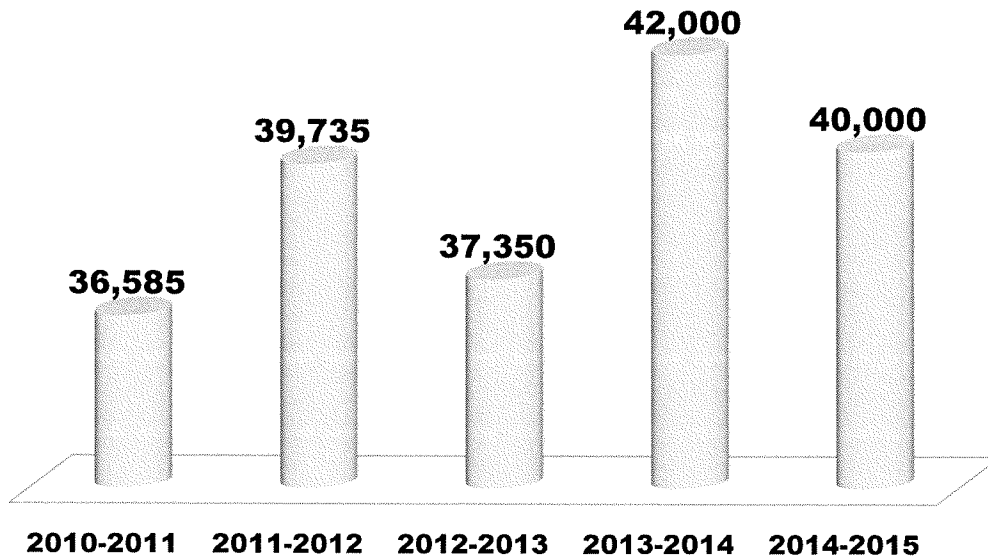
Expenses by Line Item	2013-2014	2014-2015
Executive Salaries	85,880	74,550
Regular Wages	18,210	19,990
Special Pay	2,500	2,830
FICA Taxes	6,610	6,040
Medicare Taxes	1,550	1,420
Retirement Contributions	6,400	5,850
Medical Insurance	18,470	15,090
Dental Insurance	1,070	980
Life Insurance	1,560	1,240
Workers Compensation	890	890
Professional- Medical	40	50
Contract Services	4,870	4,240
Travel & Per Diem	500	2,900
Phone, Fax, Cells	30	50
Postage & Freight	1,000	1,000
Copier (Equipment) Lease, Rent	600	600
Legal Ads, Licenses & Obligations	500	500
Office Supplies	1,250	600
Miscellaneous Operating Supplies	100	100
Furniture/ Equipment under \$1000	600	600
Elections	1,500	1,500
Book/Publications	4,450	2,110
Memberships & Prof Affiliations	290	290
Schools & Conferences	5,500	3,980
	164,370	147,400

Legal Department



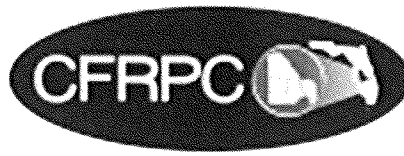
Mark Smith, Hunt Smith Law Firm

Legal Administration – Total Operating Budget \$40,000 – Legal Administration consists primarily of the City Attorney and occasional outside legal assistance as necessary. The City Attorney represents the interest of the City as expressed by the Council, City Charter, and as prescribed by law. The attorney effectively represents the interests of the City by minimizing liability and defending against claims. The City Attorney is responsible for providing legal advice and counsel to the City, its elected officials, and staff members. The attorney prepares and/or approves all contracts, bonds, and other instruments in writing in which the City is concerned, and renders opinions upon questions of law.

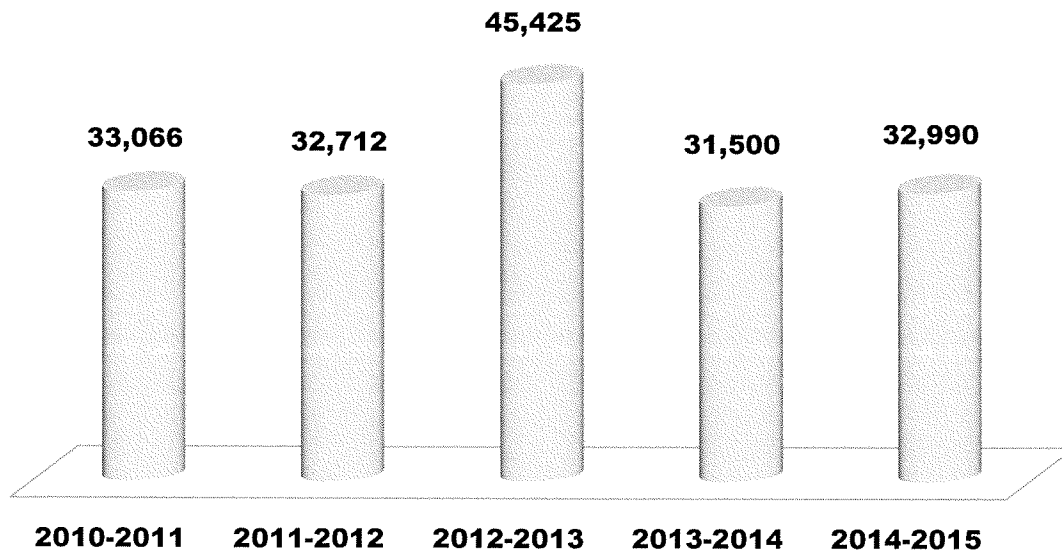


Expenses by Line Item	2013-2014	2014-2015
Attorney Legal Services	36,000	36,000
Professional Services	6,000	4,000
	42,000	40,000

Comprehensive Planning



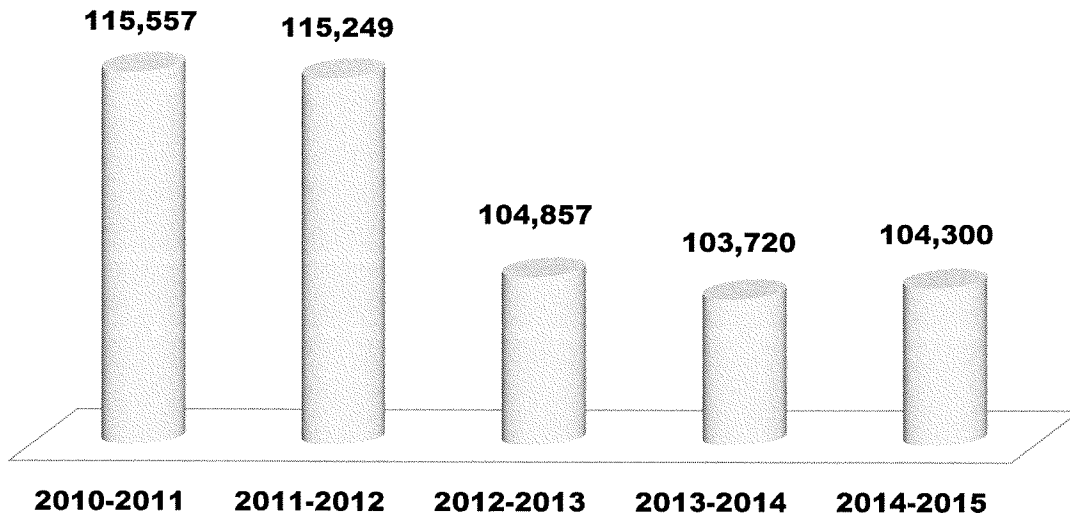
Comprehensive Planning - Total Operating Budget \$32,990- This department is outsourced to Central Florida Regional Planning Council. This department prepares changes to the Comprehensive Plan and Land Development Code and provides information about these documents to the residents, and Council. It serves as a liaison to Council in the review of applications for rezoning, conditional uses, annexations and subdivisions. Planning and Zoning Commission consists of seven members appointed by the Council for the term of three years.



Expenses by Line Item	2013-2014	2014-2015
Planner	30,000	32,000
Legal Ads	1,500	750
Office Supplies		240
	31,500	32,990

General Government

General Government - Total Operating Budget \$104,300 - General expenses for City Hall are charged to this department including, but not limited to, pest control, maintenance, equipment and lease agreements, accounting and auditing services, technical services, and Commercial and Liability insurance.



General Government (Continued)

Expenses by Line Item	2013-2014	2014-2015
Regular Wages	3,340	5,670
Special Pay	100	400
FICA Taxes	220	380
Medicare Taxes	50	90
Retirement Contributions	210	240
Medical Insurance	720	620
Dental Insurance	60	60
Life Insurance	50	50
Professional Services	3,600	2,500
Accounting/Auditing	32,000	32,000
FMPTF Actuarial Fees	700	1,000
Contract Service	7,600	10,140
Phone, Fax, Cells	3,700	2,700
Postage & Freight	1,200	200
Internet Access	2,100	850
Utility Services	19,400	16,000
Lease/Rent Copier/Vehicle/Buildings	150	-
Insurance	7,290	7,420
Miscellaneous Maintenance & Repairs	1,500	500
Maintenance Agreements	6,010	6,010
Building Maintenance & Repairs	500	1,500
Equipment Maintenance & Repairs	2,000	5,000
Promotional Activities	1,200	1,100
Promo-Ridge League Dinner		1,000
Legal Ads/Licenses		100
Bank Fees	4,800	3,000
Office Supplies	500	500
Miscellaneous Operating Supplies	1,500	1,500
Gas & Oil	100	100
Janitorial Supplies	1,000	1,000
Furniture/ Equipment under \$1000	1,000	1,000
Books & Publications		50
Memberships	1,120	1,620
	103,720	104,300

Public Safety

Public Safety - Total Operating Budget \$1,025,650 – Public Safety Department consists of law enforcement and code enforcement.

Law Enforcement - Total Operating Budget \$972,550 - The City contracts with the Polk County Sheriff to provide law enforcement services within the City limits. The current contract expires September 30, 2017.



*Polk County Sheriff's Office
Frostproof Sheriff's Station*

2014

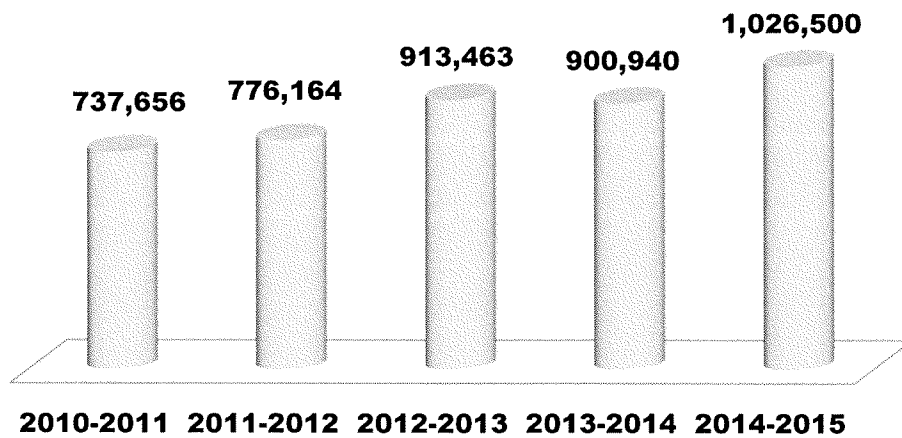
*Sgt. Steve Parker, D/S Matt Collins, D/S Michael Black, D/S Jordan Owens,
Cindy Byrd, D/S Dan Cash, D/S Billy Hood, D/S Gary Grice, D/S John Church*

Public Safety (Continued)

Code Enforcement - Total Operating Budget \$53,100 - Code Enforcement is dedicated to the enforcement of City and State standards. These standards allow for safe and orderly practices as related to maintenance of all property, whether developed or undeveloped and other related enforcement issues.



Troy Kipe, Code Enforcement



Public Safety (Continued)

Expenses by Line Item	2013-2014	2014-2015
Pension Obligation		180,300
Sheriff's Office Contract Service	746,730	788,400
Utility Service		600
Insurance		100
Maintenance Agreements	780	2,000
Promotional		100
Promotional RLC		50
Miscellaneous Operating Supplies	1,000	1,000
	868,510	972,550
Code Enforcement		
Executive Salaries	7,500	18,030
Special Pay		550
FICA Taxes	470	1,160
Medicare Taxes	110	270
Retirement Contributions	450	1,120
Medical Insurance		5,640
Dental Insurance		470
Life Insurance		180
Workers Comp	390	390
Attorney Fees		5,000
Professional Services	5,000	5,000
Communication		-
Postage	500	240
Insurance - Except Payroll Type	1,740	500
Printing/Binding/Copies	120	1,780
Legal Ads	200	-
Office Supplies	250	120
Miscellaneous Operating Supplies	200	200
Gas & Oil	500	250
Equipment Under \$1,000		200
Code Violation Abatements	15,000	500
Code Enforcement Total	32,430	53,100
Public Safety Total	900,940	1,025,650



Fire Department

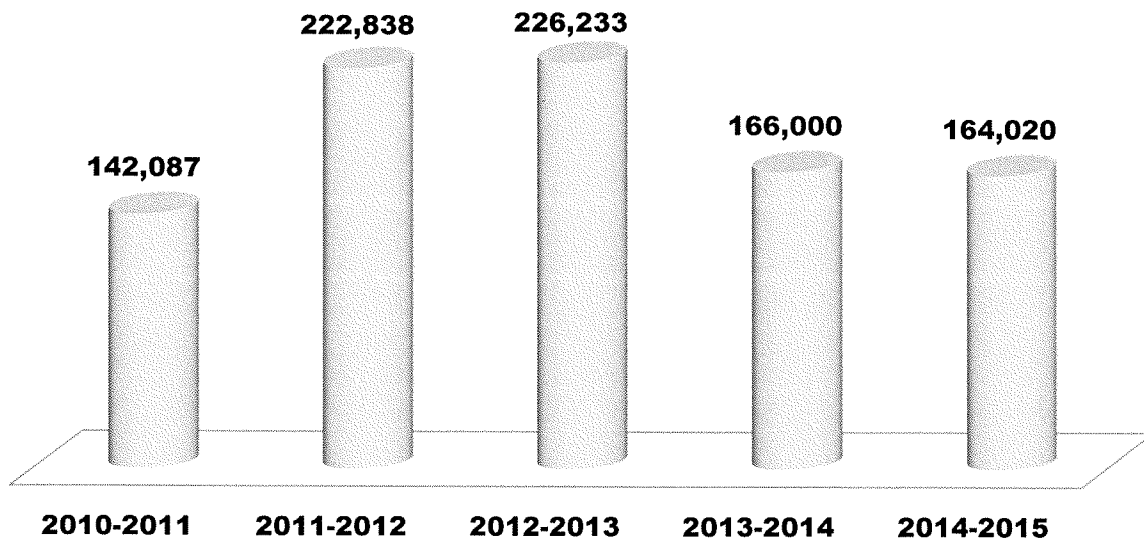


Fire Department



Jerry Riner, Anthony Jenkins

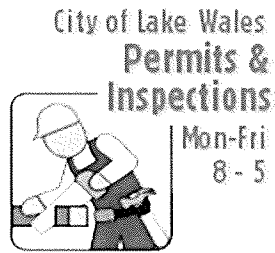
Fire Department - Total Operating Budget \$164,020 - This department effectively manages fire investigations, fire inspections, public education, and fire prevention. The personnel are dedicated to providing the best customer service in the area of public safety. The City of Frostproof will receive revenue of \$85,000 from Polk County Fire Protection Agreement.



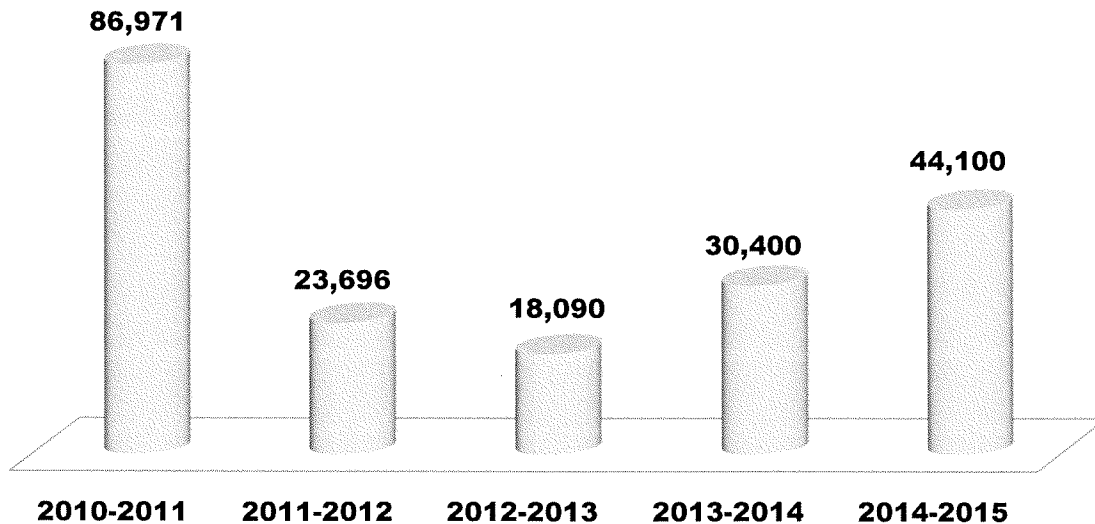
Fire Department (Continued)

Expenses by Line Item	2013-2014	2014-2015
Executive Salaries	30,210	-
Regular Wages	29,120	68,910
Special Pay	1,500	3,500
FICA Taxes	4,430	5,560
Medicare Taxes	1,000	1,290
Retirement Contributions	3,060	4,350
Life Insurance	560	-
Workers Comp	1,530	1,530
Medial Professional	800	300
Grant Professional Services	250	-
Contract Service	5,530	7,780
Contract Service - Volunteer FF	20,000	16,260
Polk County Dispatch	10,320	11,800
Phone, Fax, Cells	1,440	660
Postage & Freight	500	600
Comm Svs - Internet Services	750	750
Utility Services	4,500	3,400
Lease/Rent Copier/Veh/Bldgs	720	720
Insurance	6,950	7,100
Building Maintenance & Repairs	1,000	-
Equipment Maintenance & Repairs	3,500	1,500
Vehicle Maintenance & Repairs	11,100	6,000
Promotional Activities	1,000	-
Office Supplies	500	700
Miscellaneous Operating Supplies	2,500	1,500
Gas & Oil Supplies	10,000	7,000
Tools	500	500
Uniforms	2,500	1,900
Furniture/ Equipment under \$1000	6,230	7,710
Books/Publications	500	500
Memberships & Prof Affiliation	500	500
Schools & Conferences	3,000	1,700
	166,000	164,020

Building Department



Building Department - Total Operating Budget \$44,100 – This department issues residential and commercial permits to property and business owners of the City of Frostproof. This department has a part-time Building Official through an inter-local agreement with the City of Lake Wales. The building official reviews plans and provides applicants with information regarding the permitting process. Building inspections are scheduled during the construction process and records of permits issued are maintained.



Building Department (Continued)

Expenses by Line Item	2013-2014	2014-2015
Other Salaries	6,940	19,440
Special Pay	200	550
FICA Taxes	450	1,240
Medicare Taxes	110	290
Retirement Contributions	430	1,200
Medical Insurance	2,130	3,080
Dental Insurance	140	220
Life Insurance	90	240
Workers Comp	390	390
Professional	15,000	13,000
Contract Services	980	990
Phone, Fax, Cells	300	300
Postage & Freight	350	200
Lease		30
Insurance	1,740	1,780
Printing and Binding	100	100
Office Supplies	500	500
Miscellaneous Operating Supplies	50	50
Furniture/ Equipment under \$1000	500	500
	30,400	44,100

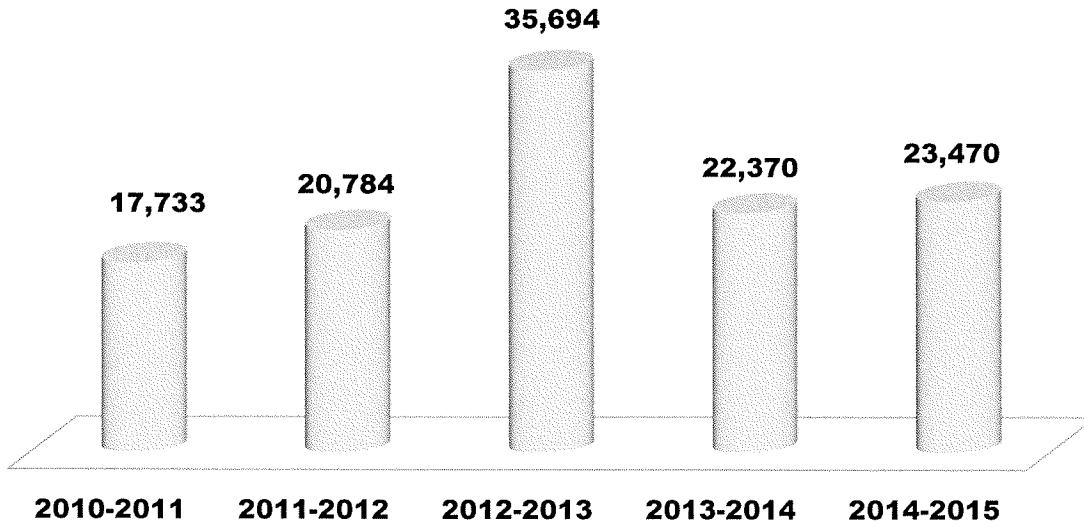
Cemetery Department



Road Material to be spread on Roads in Cemetery

Cemetery Department - Total Operating Budget \$23,470 – All expenses pertaining to Silver Hill Cemetery are charged to this department. Beginning with fiscal year 2008-2009, the City of Frostproof allocates 5% of employees' wages to this department to cover maintenance of the cemetery.

Cemetery Department (Continued)



Expenses by Line Item	2013-2014	2014-2015
Regular Wages	8,950	9,630
Overtime	130	290
Special Pay	400	480
FICA Taxes	590	650
Medicare Taxes	140	160
Retirement Contributions	570	630
Dental Insurance	180	3,030
Medical Insurance	2,960	220
Life Insurance	120	140
Workers Comp	390	390
Postage		100
Utilities	500	500
Lease		20
Insurance	1,740	1,780
Miscellaneous Maintenance. & Repairs	1,000	1,000
Maintenance Agreements	1,000	1,000
Equipment Maintenance & Repairs	1,000	1,000
Miscellaneous Operating Supplies	700	700
Gas & Oil Supplies	1,500	1,500
Chemicals	500	250
	22,370	23,470



*First Row: Alberto Montalvo, Anthony Hunter, Jarrod Schiff
Second Row: Ronnie Smith, Martin Bracken, Clay Pittman*

Public Works Department



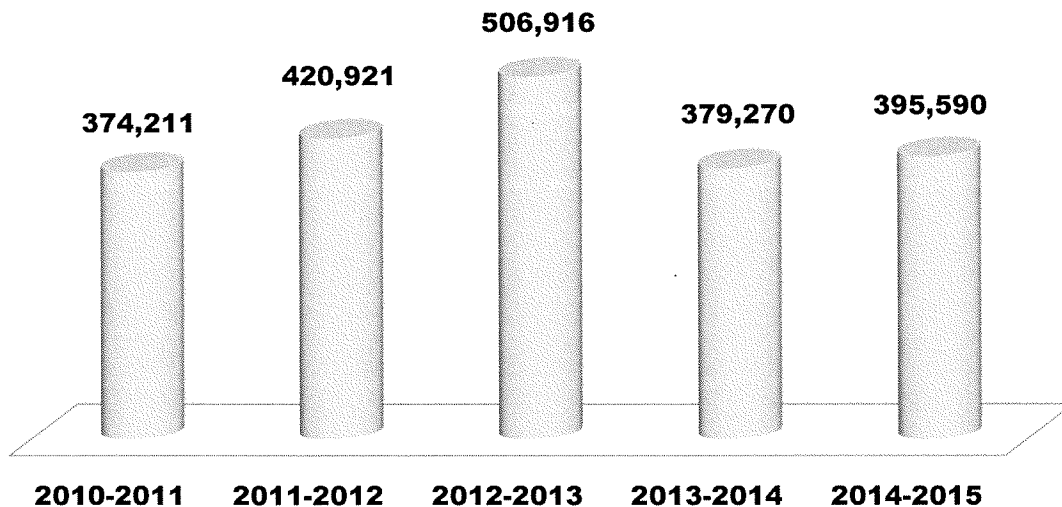
James Keene, Public Works Director

Street Department



Ronnie Smith

Street Department - Total Operating Budget \$395,590 – This department maintains and cares for the City’s streets, traffic control signage, right-of-ways, and sidewalks. Staff provides barricades to assist emergency personnel in controlling intersections during wrecks, power outages or special events. The department assists Emergency Response personnel in road closures due to storms, sink holes or flood damage. In the event of a disaster, the Street Department is primarily responsible for coordinating the removal of debris.



Street Department (Continued)

Expenses by Line Item	2013-2014	2014-2015
Executive Salaries	39,200	40,380
Regular Wages	104,730	114,110
Overtime	1,520	4,120
Special Pay	5,550	6,840
FICA Taxes	9,060	9,930
Medicare Taxes	2,190	2,400
Retirement Contributions	9,060	9,930
Medical Insurance	41,060	40,740
Dental Insurance	2,450	2,820
Life Insurance	1,740	2,160
Workers Comp	2,290	2,290
Medical	290	300
Travel		350
Phone, Fax, Cells	1,500	1,300
Postage & Freight	600	600
Utility Services	73,000	76,500
Rent/Lease	140	140
Insurance	10,420	10,650
Miscellaneous Maintenance & Repairs	8,500	5,500
Maintenance Agreements	1,920	2,750
Building Maintenance & Repairs	500	1,500
Equipment Maintenance & Repairs	12,000	10,000
Vehicle Maintenance & Repairs	5,000	5,000
Printing and Binding	100	100
Promotional Activities	500	250
Promotional RLC		150
Legal Ads	200	200
Contingency	5,000	5,000
Office Supplies	500	300
Miscellaneous Operating Supplies	1,500	1,500
Gas & Oil Supplies	15,000	15,000
Janitorial Supplies	500	500
Chemical Supplies	250	250
Tools	1,500	1,500
Uniforms	3,000	3,000
Furniture/ Equipment under \$1000	1,500	5,000
Signage - Roads & Facilities	10,000	5,000
Asphalt, concrete, shell	7,000	7,000
Memberships		300
Schools/Conferences		230
	379,270	395,590

Library Department



First Row: Allison Briggs, Teresa Norris, Melissa Hadden
Second Row: Kelly Wilbanks, Neta Harris

Library Department - Total Operating Budget \$196,560 - Latt Maxcy Memorial Library is maintained by the City and administered under the direction of a library board which is subject to the supervision and control of Council.

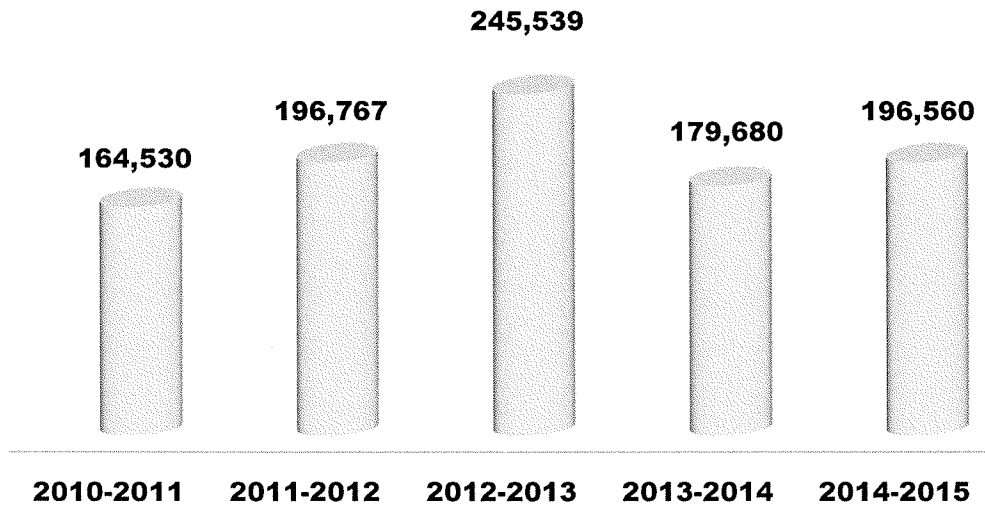
The City of Frostproof will receive revenue of approximately \$35,000 from the Polk County Library Cooperation Agreement.

Mission Statement: The mission of the Latt Maxcy Memorial Library is to serve information, educational, and recreational needs through acquiring and maintaining high quality materials, programs and services within comfortable facilities, with emphasis on information which is of immediate relevance and interest to the Frostproof community and library service area; and in a manner commensurate with responsible fiscal planning. The Library's mission extends to providing access to the universe of information beyond the Library's own collections through interlibrary cooperation and electronic resources.

Requested Capital Improvement Items

Books	20,000
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Library Department (Continued)



Library Department (Continued)

Expenses by Line Item	2013-2014	2014-2015
Executive Salaries	45,000	46,350
Regular Wages	26,520	35,810
Special Pay	2,000	3,050
FICA Taxes	4,560	5,290
Medicare Taxes	1,070	1,240
Retirement Contributions	4,420	4,570
Medical Insurance	18,710	20,940
Dental Insurance	1,410	1,450
Life Insurance	900	910
Workers Comp	390	390
Contract Service	3,340	3,390
Travel & Per Diem	200	200
Phone, Fax, Cells	1,000	1,000
Postage & Freight	500	500
Utility Services	11,600	13,800
Lease/Rent Copier/Veh/Bldgs	720	720
Insurance	1,740	1,780
Building Maintenance & Repairs	1,000	2,000
Equipment Maintenance & Repairs	500	500
Printing		360
Promotional Activities	1,600	1,600
Contingency	1,000	1,000
Office Supplies	1,000	1,000
Miscellaneous Operating Supplies	250	250
Janitorial Supplies	750	750
Furniture/ Equipment under \$1000	3,380	300
Memberships & Prof Affiliations	130	200
	<u>133,690</u>	<u>149,350</u>
Library Co-Op		
Regular Wages	32,960	29,870
Special Pay	500	1,900
FICA Taxes	2,080	1,970
Medicare Taxes	490	470
Retirement Contributions	1,770	1,720
Medical Insurance	7,400	6,330
Dental Insurance	430	410
Life Insurance	360	350
Programmer		710
Communication-Internet		1,080
Lease		1,980
Legal Adds		160
Publications/Subscriptions		260
	<u>45,990</u>	<u>47,210</u>
Library Total	<u>179,680</u>	<u>196,560</u>

Parks & Recreation Department

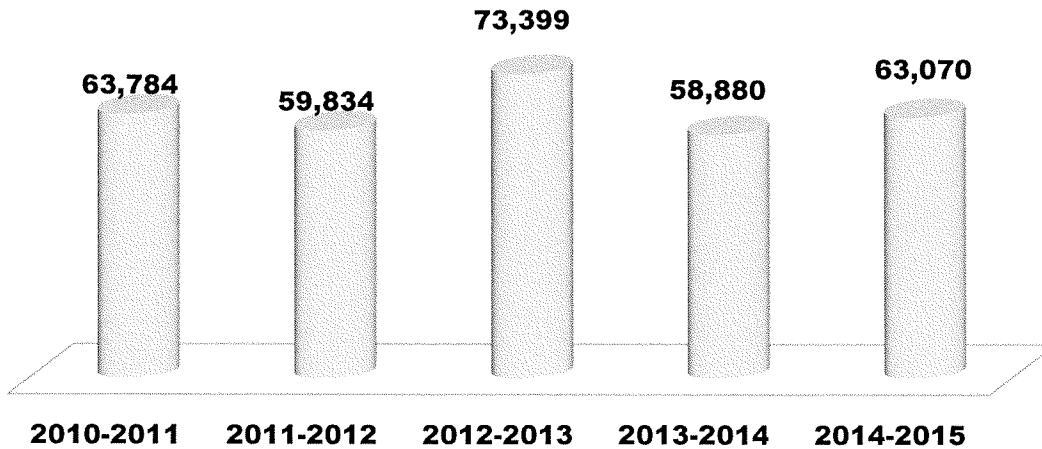


Martin Bracken

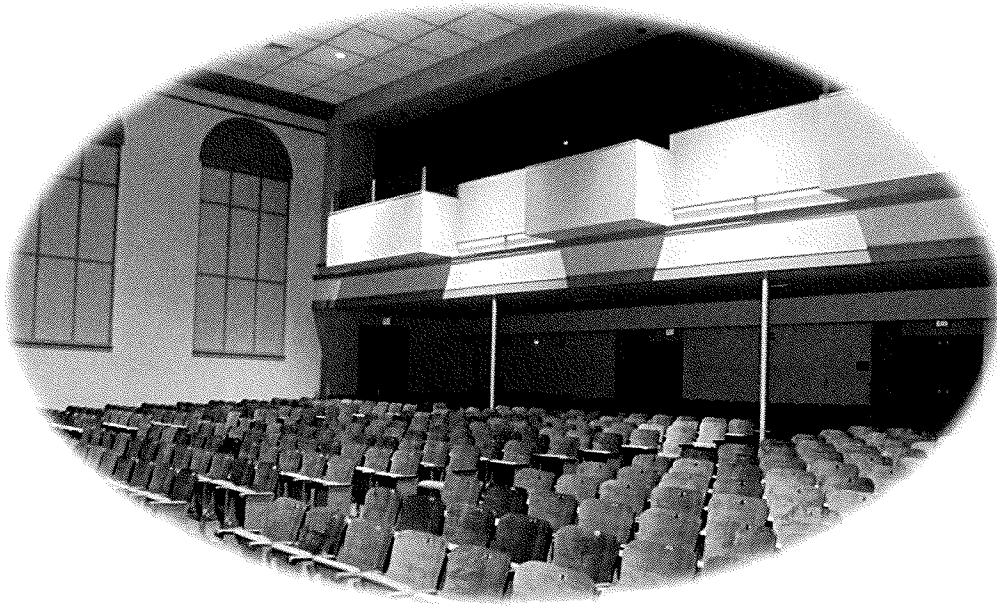
Parks & Recreation Department - Total Operating Budget \$63,070 –

This department provides and preserves quality parks and recreation opportunities for all citizens. The department maintains, ensures safety, and keeps City parks and recreation areas litter free. Personnel maintain the structural integrity and aesthetics of each facility, including remodeling tasks when necessary.

Parks & Recreation Department (Continued)



Expenses by Line Item	2013-2014	2014-2015
Regular Wages	7,800	10,250
Overtime	120	360
Special Pay	350	470
FICA Taxes	520	690
Medicare Taxes	120	170
Retirement Contributions	500	670
Medical Insurance	2,590	3,280
Dental Insurance	150	220
Life Insurance	100	140
Workers Comp	770	770
Contract Service	600	600
Phone, Fax, Cells	480	480
Postage and Freight	100	200
Internet	780	-
Utility Services	34,920	34,920
Lease	-	100
Insurance	3,480	3,550
Building Maintenance & Repairs	1,500	1,500
Equipment Maintenance & Repairs	1,500	1,500
Legal Ads, Licenses	300	-
Miscellaneous Operating Supplies	700	700
Gas & Oil Supplies	500	500
Janitorial Supplies	1,000	1,000
Equipment Under \$1,000	-	1,000
	58,880	63,070



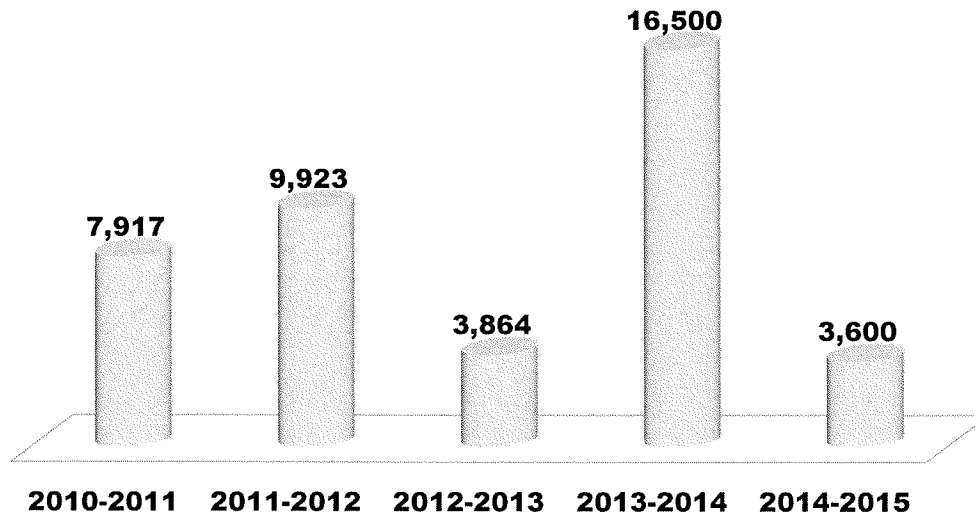
Historic Auditorium
American Legion Post 95 Memorial Auditorium



Historic Auditorium

American Legion Post 95 Memorial Auditorium

Historic Auditorium - Total Operating Budget \$3,600. This department is dedicated to the preservation and restoration of the American Legion Post 95 Memorial Auditorium located in City Hall. The auditorium was partially restored in fiscal year 2007-2008 with the aid of a Historic Preservation Grant in the amount of \$350,000, \$76,000 donation from American Legion Post 95 and \$173,380 from contributions and revenues received from various functions held in the auditorium. The City's Historic Preservation Committee is in the process of raising funds to complete the final phase of restoration which encompasses the stage, sound system and lighting.



Expenses by Line Item	2013-2014	2014-2015
Postage & Freight	1,500	100
Auditorium Promotional	5,000	2,500
Miscellaneous Operating Supplies	10,000	1,000
	16,500	3,600



Waterline Loop Project

Enterprise Fund



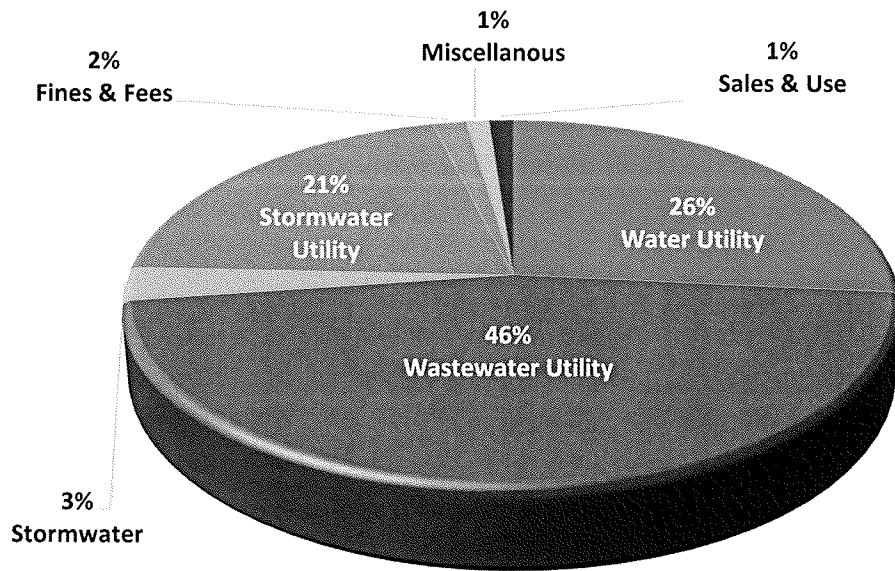
Alberto Montalvo, Wastewater Treatment Plant Operator

Enterprise Fund Revenues

Enterprise Fund revenue projections for Fiscal Year 2014-2015 indicate an increase of \$113,000 as compared to Fiscal Year 2013-2014 budgeted revenues.

The following Table summarizes revenue sources:

Revenues	2013-2014	2014-2015
Franchise & Utility Taxes	20,000	20,000
Charges for Services		
Water Utility	421,000	450,000
Wastewater Utility	703,000	788,000
Solid waste Utility	355,000	350,000
Fines & Fees	31,000	26,250
Investment Income	1,000	5,000
Miscellaneous		
Miscellaneous	10,000	14,750
Storm water Utility	50,000	50,000
	1,591,000	1,704,000



Water Impact Fee Revenue

Water Impact Fee Revenue - A water system impact fee is assessed for each new water customer to pay a proportionate share of the expansion of the water system including the water plants and distribution system. All monies received from the water system impact fees, plus interest, if any, are deposited in the water system reserve fund and are expended from that fund only for the purpose of constructing water treatment plants, additions to water treatment plants and extending, enlarging or separating water distribution systems and planning, engineering and debt services for such projects. The City is entitled to retain four-percent (4%) of the Water Expansion Fees collected to offset the costs associated with the administration, accounting, and expenditure and auditing of the funds.

The City has not collected Water Impact Fee funds in five years and at the close of Fiscal Year 2012-2013 all funds have been depleted.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.

Wastewater Impact Fee Revenue

Wastewater Impact Fee Revenue - A wastewater system impact fee is assessed for each new wastewater customer to pay for a proportionate share of expansion of the wastewater system, including wastewater treatment plants, effluent disposal system and collection system. All monies received from the wastewater system expansion fees plus interest, if any, are deposited in the wastewater system expansion reserve fund and shall be expended from the fund only for the purpose of constructing wastewater treatment plants, effluent disposal systems, collection systems, additions to wastewater treatment plants and extending or enlarging the wastewater collection systems and planning, engineering and debt service for such projects. The City is entitled to retain four percent (4%) of the Impact Fee funds collected to offset the costs associated with the administration, accounting, and expenditure and auditing of the funds.

The City will have approximately \$121,650 in wastewater Impact fee reserves at the close of Fiscal Year 2013-2014, no wastewater impact fees have been collected in last five years.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



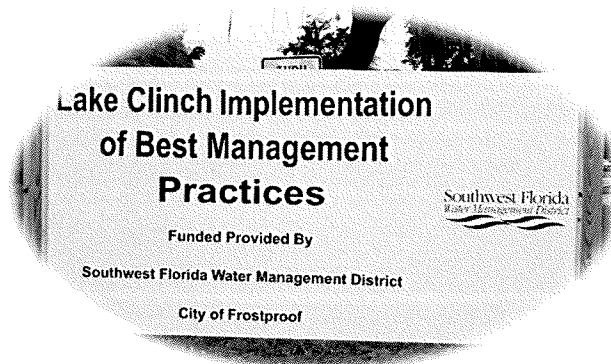
Wastewater Treatment Plant Storm Pond

Storm Water Impact Fee Revenue

Storm Water Impact Fee Revenue - A storm water system impact fee is assessed for each new storm water customer to pay for a proportionate share of expansion of the storm water system, including storm water treatment plants, effluent disposal system and collection system. All monies received from the storm water system expansion fees plus interest, if any, are deposited in the storm water system expansion reserve fund and are expended from the fund only for the purpose of constructing storm water treatment plants, effluent disposal systems, collection systems, additions to storm water treatment plants and extending or enlarging the storm water collection systems and planning, engineering and debt service for such projects. The City shall be entitled to retain four percent (4%) of the Impact Fee funds to offset the costs associated with the administration, accounting, and expenditure and auditing of the funds.

The City has no funds remaining in storm water impact fee reserves, no storm water impact fees have been collected in last five years.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.

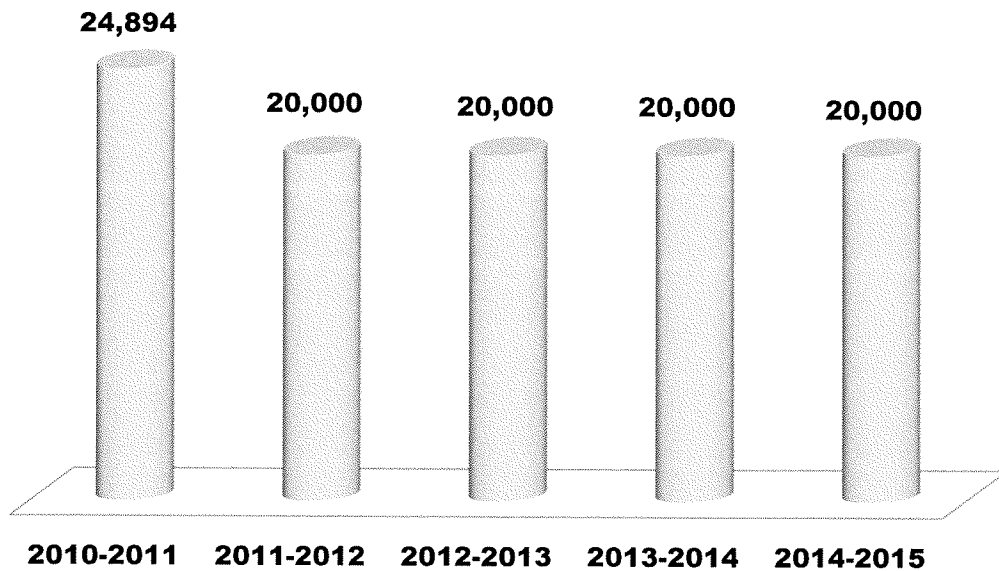
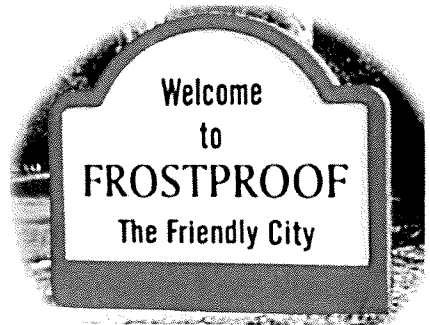


*Stormwater Project
Wall Street at Lake Clinch*

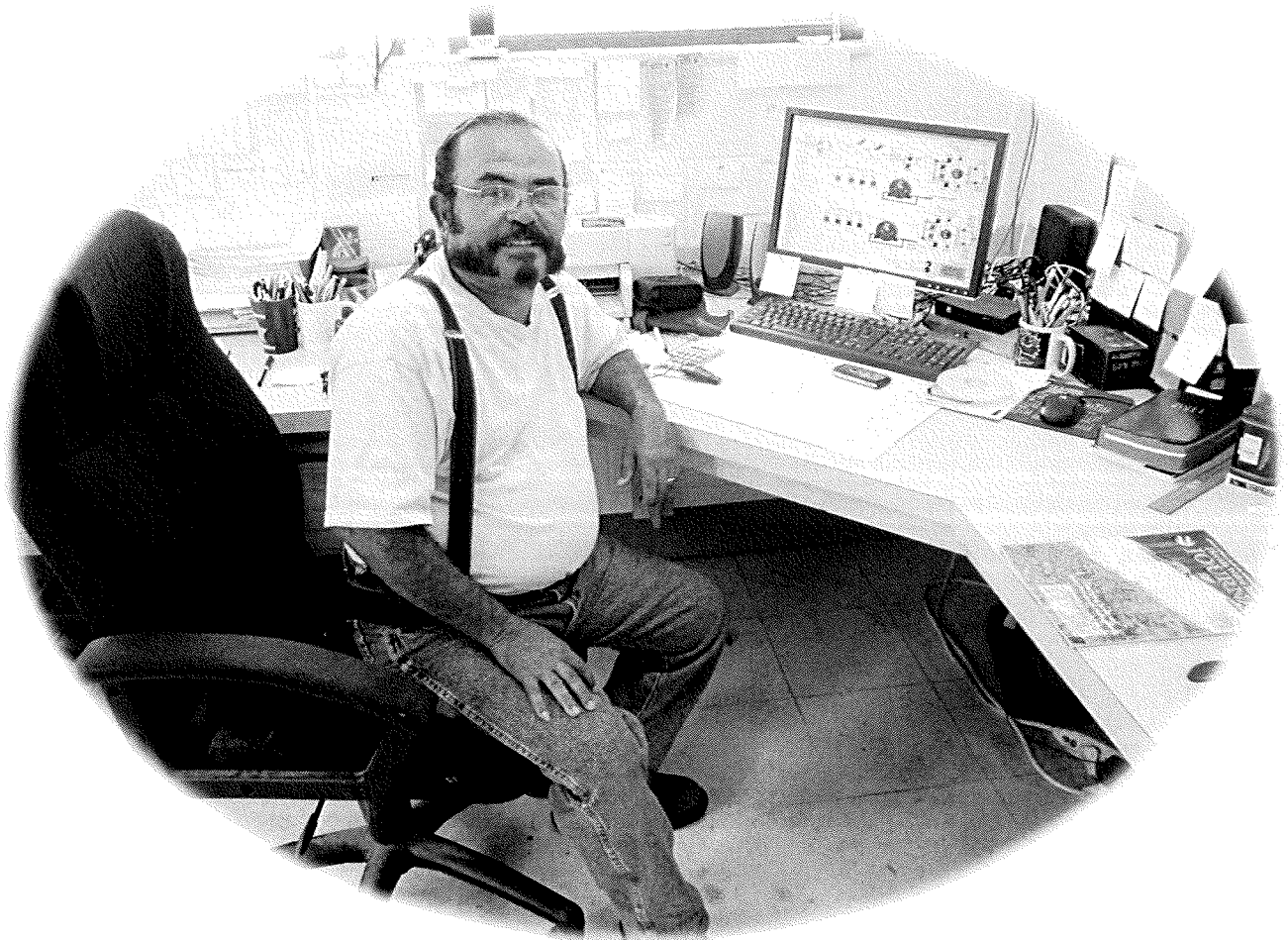
Solid Waste Administration Fee

Solid Waste Administration Fee – An administrative charge of \$5.00 per month is charged to each customer with garbage pick-up.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Charges for Services



*Alberto Montalvo
Wastewater Treatment Plant Operator*

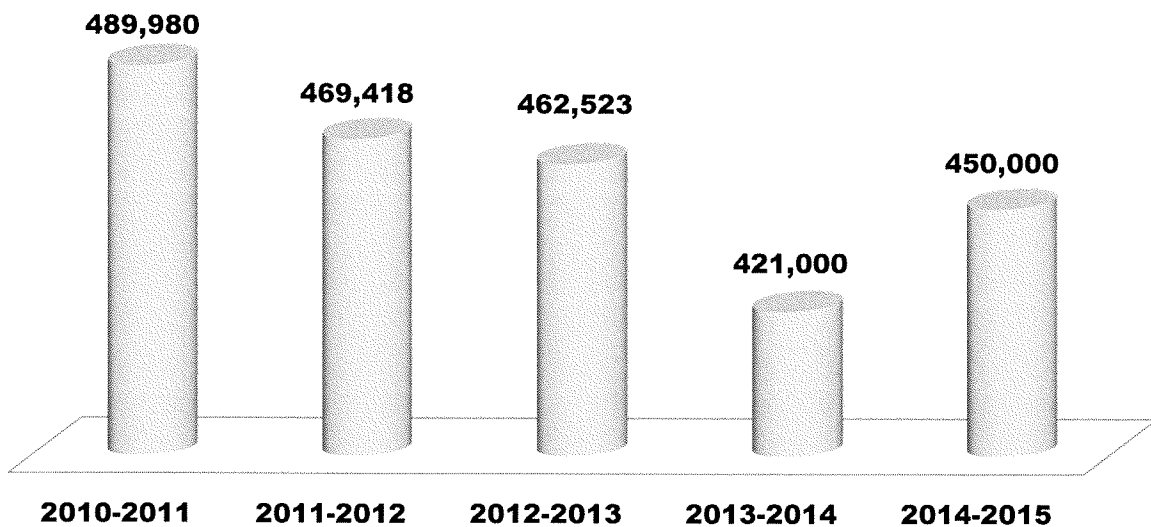
Water Utility Fee Revenue

Water Utility Fees – Water utility rates are reviewed annually and adjusted in accordance with the Consumer Price Index (CPI) and as necessary to maintain compliance with State and Federal regulatory requirements governing water charges. City Council did not raise Water Utility Rates for Fiscal Year 2014-2015.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.

Water Utility Revenues

2014-2015	14.31
2013-2014	14.31
2012-2013	14.31
2011-2012	13.97
2010-2011	13.97

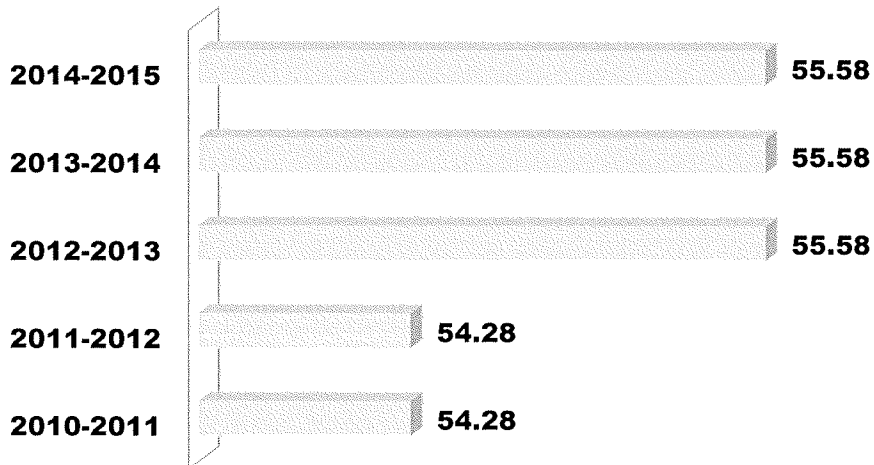


Wastewater Utility Fee Revenue

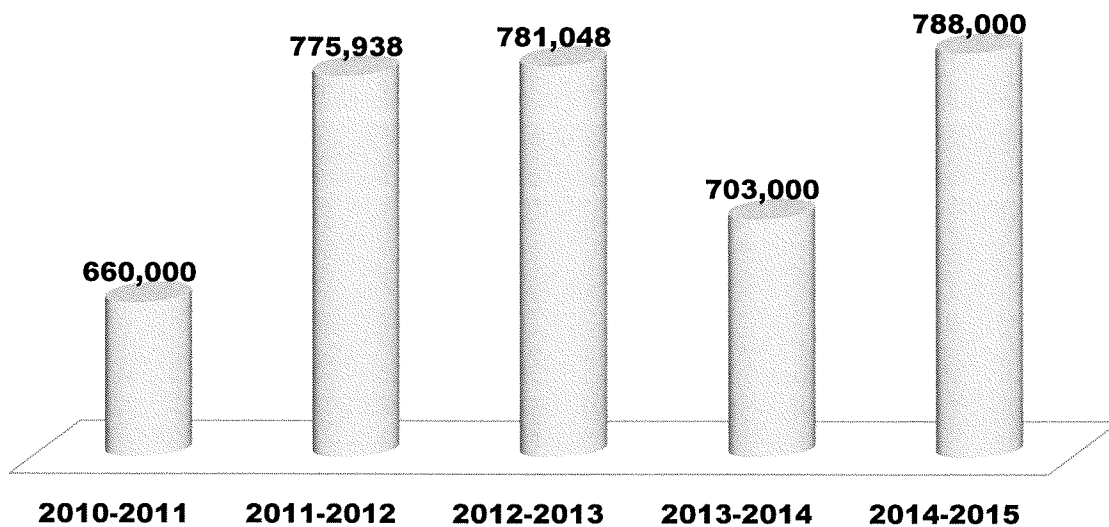
Wastewater Utility Fees – The wastewater utility rates are reviewed annually and adjusted in accordance with the Consumer Price Index (CPI) and as necessary to maintain compliance with State and Federal regulatory requirements governing wastewater charges. City Council did not raise Water Utility Rates for Fiscal Year 2014-2015.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.

Wastewater Utility Fees



Wastewater Utility Revenues

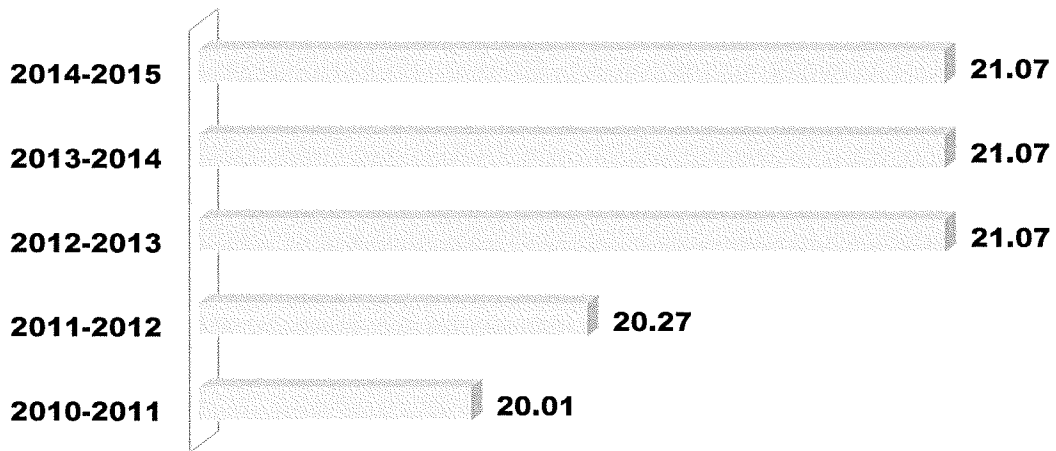


Solid Waste Utility Fee Revenue

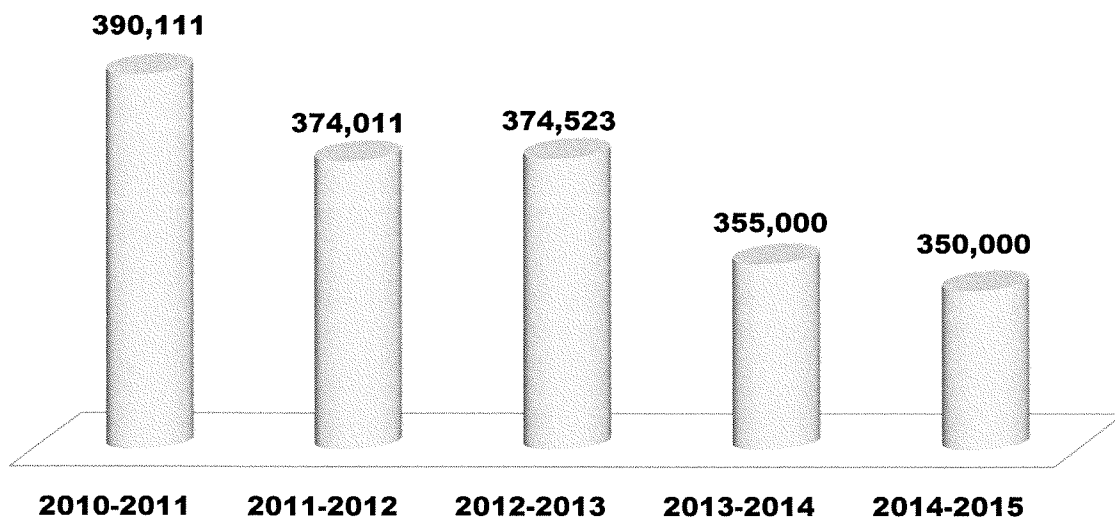
Solid Waste Utility Fees – This department is outsourced to Republic Services. The contract includes once a week curbside service for normal household waste, yard waste, and recyclable items as well as weekly bulk pick-up.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.

Solid Waste Rates



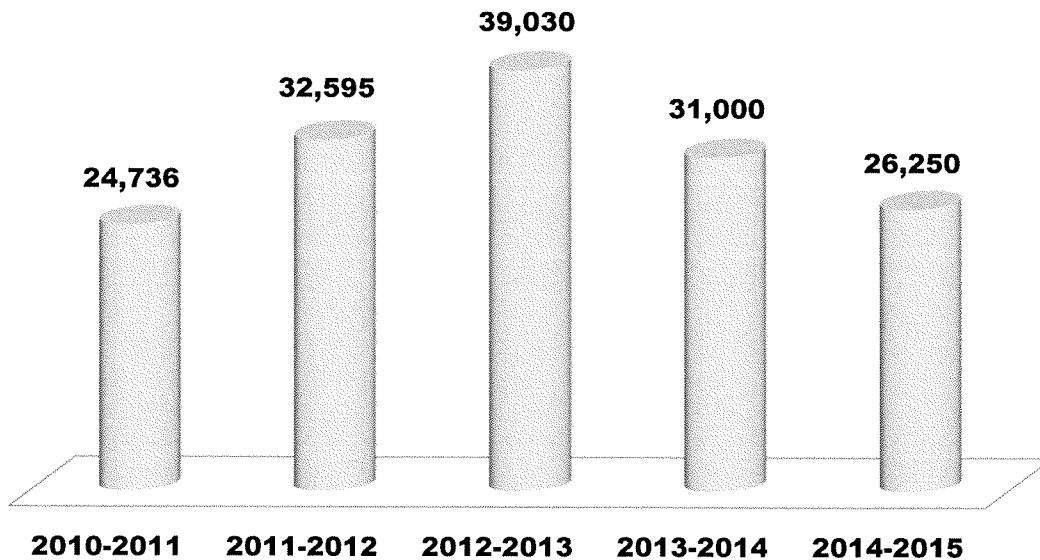
Solid Waste Utility Revenue



Water Wastewater Fines and Fees

Water Wastewater Fines and Fees – Fines and penalties charged to utility customers for late payments and charges for turning meter on and off, and is determined by Resolution.

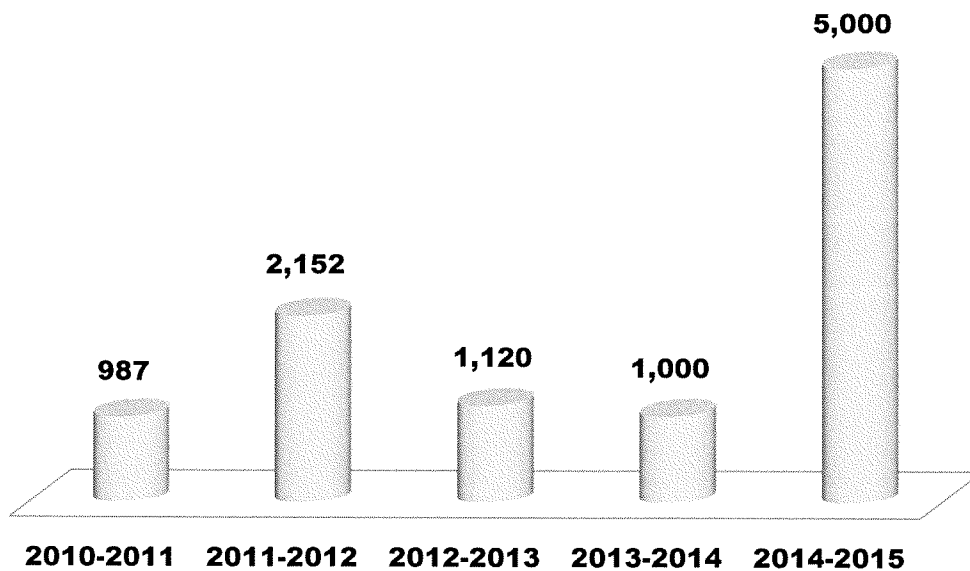
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



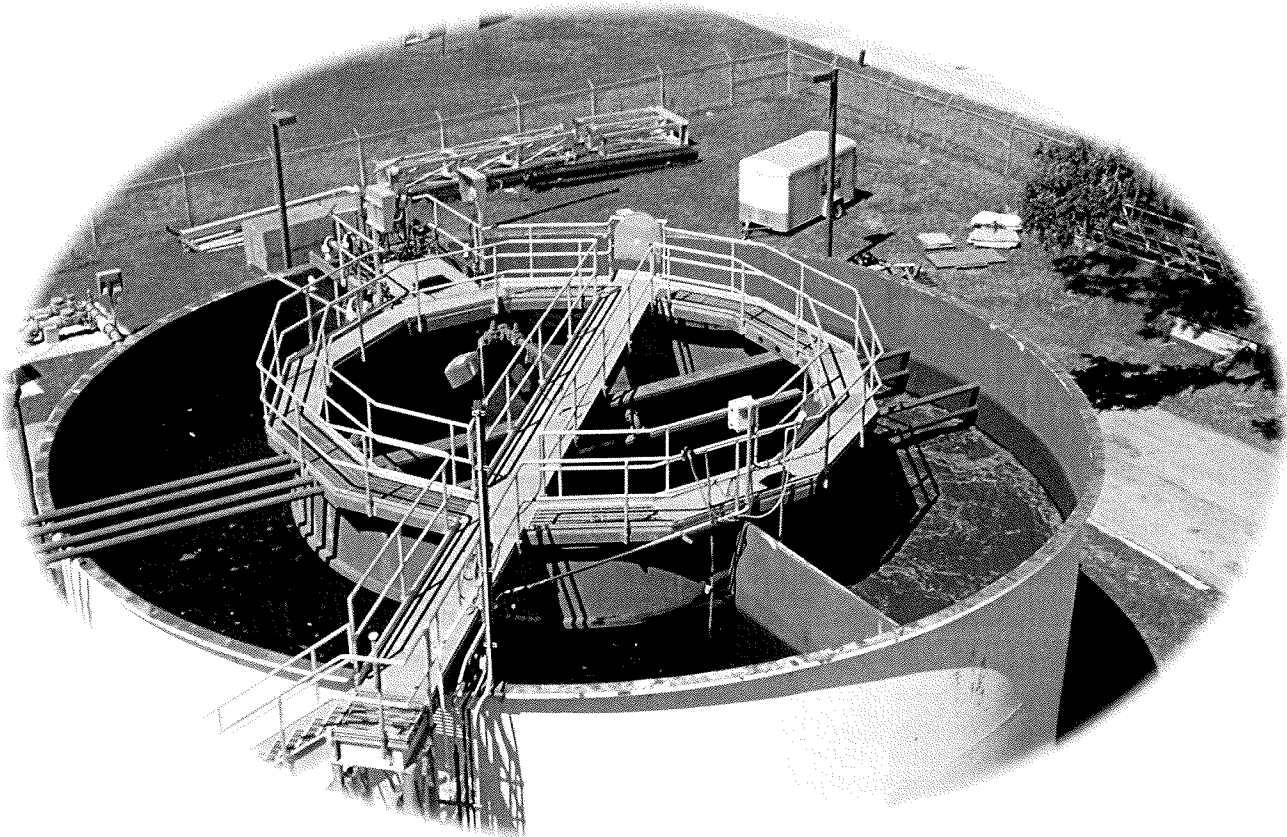
Investment Income

Description: The City invests with various banks resulting in revenues derived from interest.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Miscellaneous Revenues



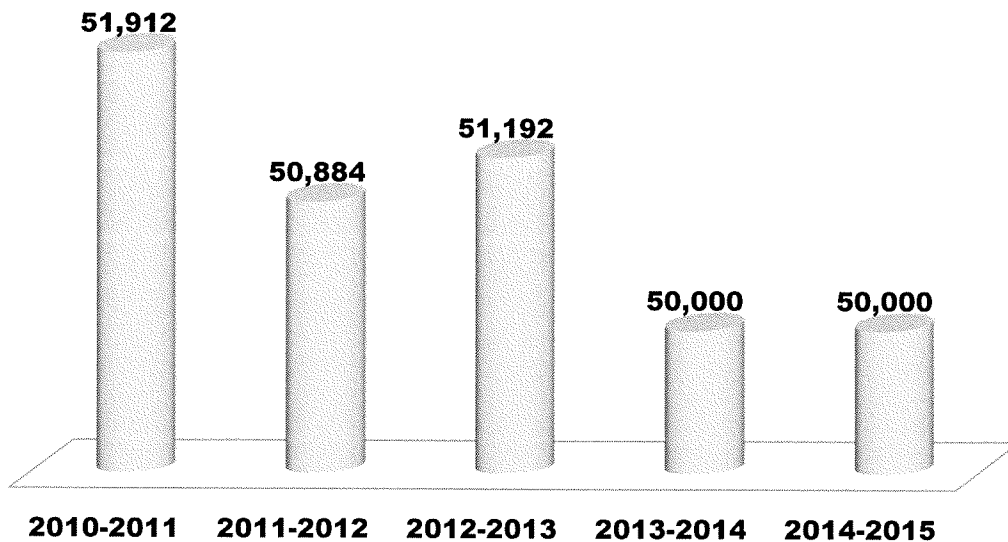
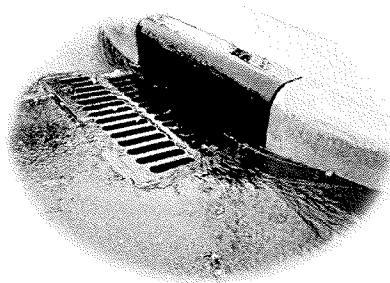
Wastewater Treatment Plant Expansion Project

Storm Water Management Fee Revenue

Storm Water Management Fee Revenue – The storm water management utility fee is billed and collected with the monthly utility bill and pertains to all lots and parcels of land utilizing any of the City’s other utilities. Persons owning property within the City who are not consumers of the City’s other utilities are billed once a year. All storm water management fees collected by the City are paid into the storm water utility fund. Such funds are used for the purpose of paying the cost of storm water drainage facilities to be constructed in various storm drainage basins and paying the cost of operation, monitoring, enforcement, administration and maintenance of the storm water drainage facilities of the City.

The City will have approximately \$105,910 in Storm Water Management Fee Reserves at the close of Fiscal Year 2013-2014.

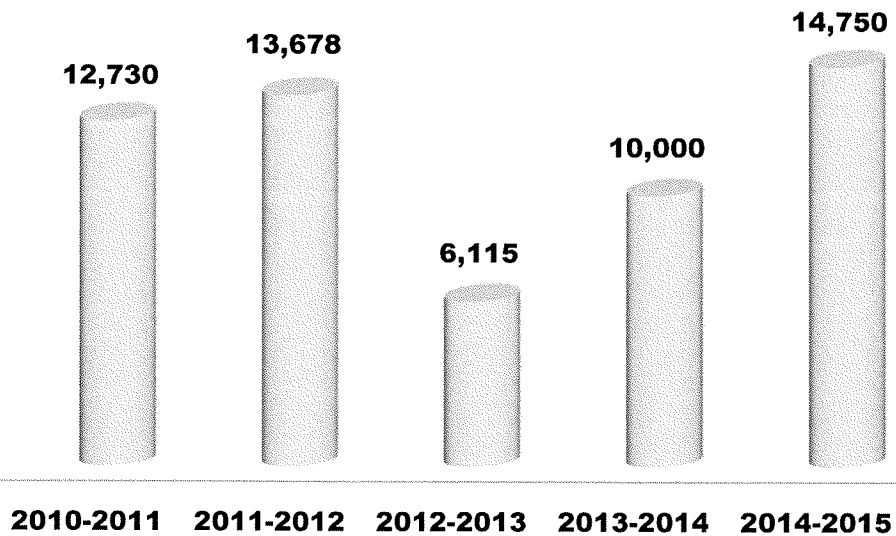
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



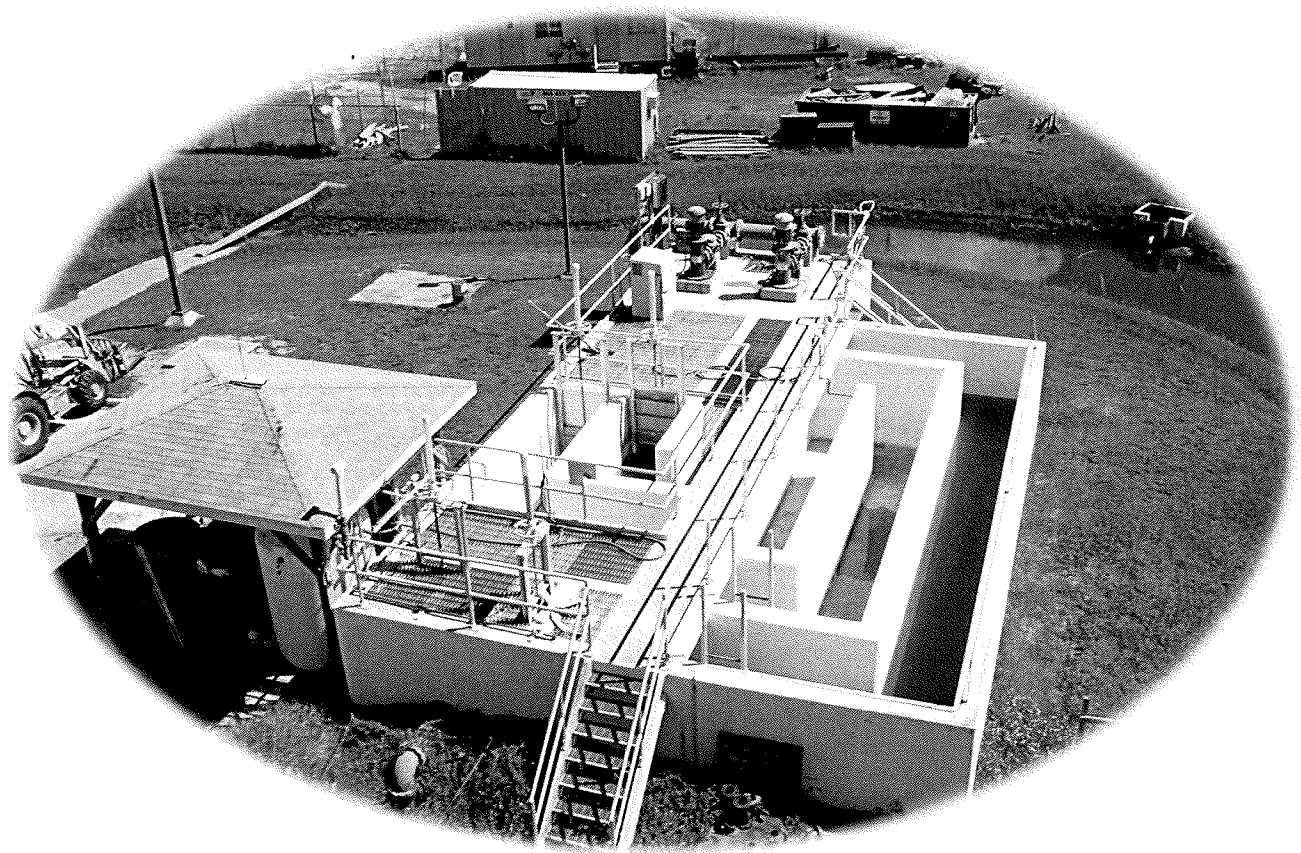
Miscellaneous Revenues

Description: Miscellaneous revenues are received from various individuals and corporations and include funds from reimbursement of insurance premiums, etc.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Enterprise Fund Expenses

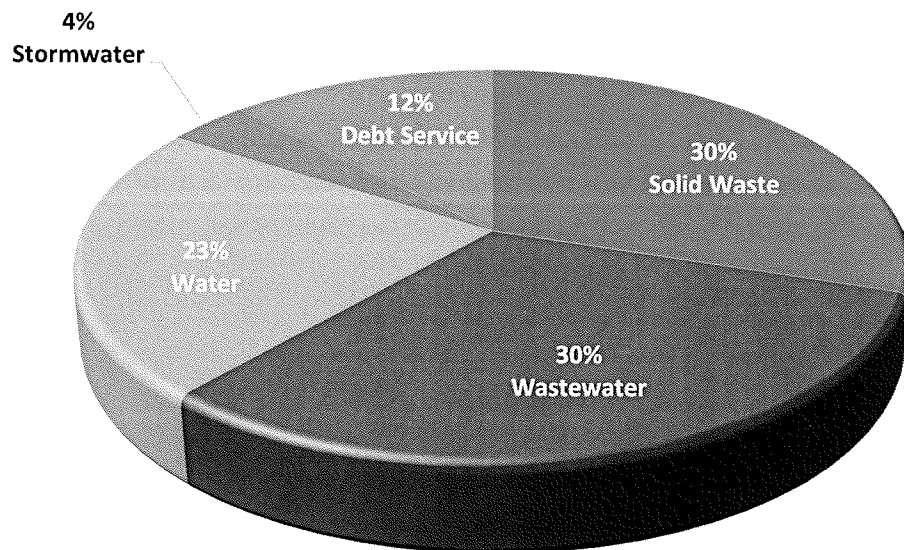


Wastewater Treatment Plant Chlorination Chamber

Enterprise Fund Expenses

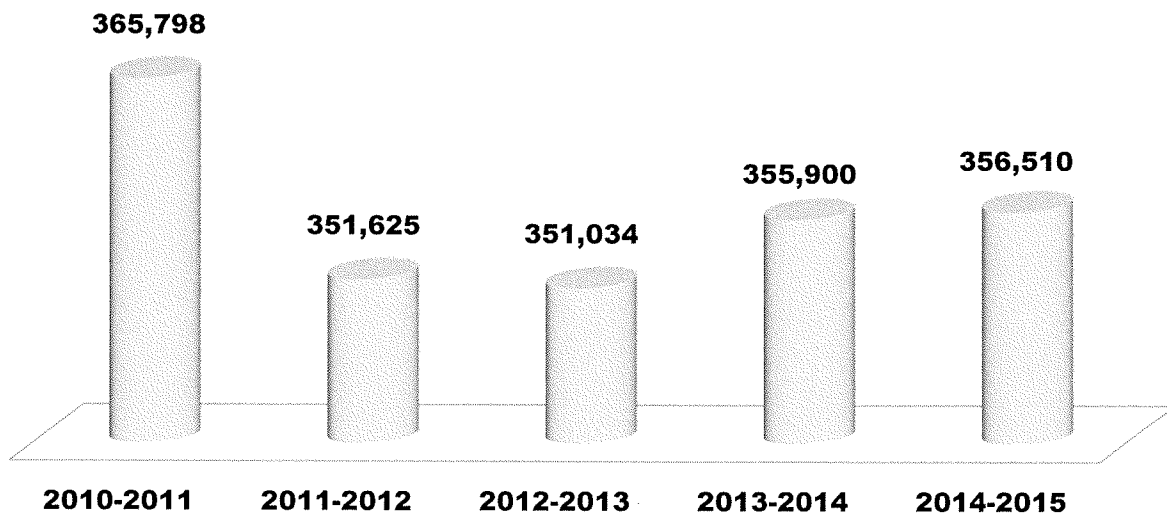
Expenditure Summary by Department

Department	2013-2014	2014-2015
Solid Waste	355,900	356,510
Wastewater	353,080	375,360
Water	292,920	284,430
Stormwater	44,480	45,060
Debt Service	151,970	146,460



Solid Waste Department

Solid Waste Department – Total Operating Budget \$356,510 – This department is outsourced to Republic Services. The contract includes once a week curbside service for normal household waste, yard waste, and recyclable items as well as monthly bulk pick-up.



Expenses by Line Item	2013-2014	2014-2015
Executive Salaries	8,290	8,540
Regular Wages	11,070	11,690
Overtime	50	130
Special Pay	520	660
FICA Taxes	1,240	1,310
Medicare Taxes	290	310
Retirement Contributions	1,200	1,260
Medical Insurance	3,450	3,160
Dental Insurance	330	310
Life Insurance	300	250
Workers Comp	770	770
Accounting/Auditing	3,250	2,900
Contract Service	320,000	320,000
Postage	450	450
Insurance	3,500	3,580
Maintenance Agreements	690	690
Office Supplies	500	500
	355,900	356,510

Wastewater Department

Wastewater Department – Total Operating Budget \$375,360 – This Department provides for the health, safety, and welfare of the community through the performance of effective collection and treatment of wastewater in compliance with City, State, and Federal regulations, in an efficient manner while providing superior customer service and maintaining cost control.

Wastewater Grants

The City of Frostproof was under a Florida Department of Environmental Protection (FDEP) Consent Order to correct deficiencies in our wastewater treatment facilities including the building of a new wastewater treatment plant. The project was phased over a period of years and consisted of rehabilitation of existing wastewater lines, construction of new wastewater lines, customer hook-up and septic tank abandonment, construction of expanded effluent disposal facilities and expansion of the wastewater treatment plant.

In 1998, to respond to the FDEP, Frostproof undertook a program to upgrade the wastewater system to serve most City residents. The project was divided into three separate phases. Phase 1 provided sewers for the east side of the City, customer hook-up and septic tank abandonment, and replacement of the .08 million gallons per day (mgd) treatment plant with a .25 mgd treatment plant. The City was awarded SRF Loans and a Community Development Block Grant for this phase; however, this grant did not cover total expense leaving the City with a \$500,000 deficit.

Phase 2 included rehabilitation of the existing Frostproof collection system and new wastewater construction. The rehab portion of the project was funded by a State Revolving Fund Loan in the amount of \$1,086,722.

The balance of Phase 2 consisted of providing new wastewater service to the northwest section of the City including approximately 32,500 linear feet of gravity wastewater, 8,500 linear feet of force main, 10 lift stations and connection of an estimated 291 units to the wastewater system. Construction on this Phase began in April 2009 and was completed in July 2011. The cost for this project was \$3,915,349; the City was awarded a Legislative Project Grant for this phase.

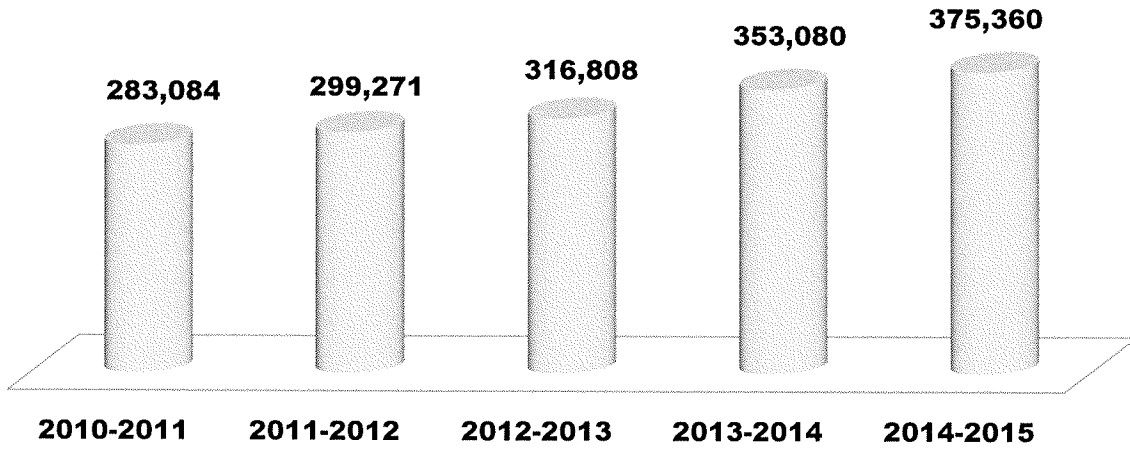
Phase 3 improvements included the expansion of the City’s Wastewater Treatment Plant. Expansion activities consisted of the addition of a sequencing batch reactor tank, two rapid infiltration basins (not completed), and other related appurtenances. These improvements

expanded the City’s treatment plant capacity from .25 mgd to .50 mgd. The estimated cost for this project is \$1,658,040; the City will use the remainder of the Legislative Project Grant and unreserved cash for this expansion and construction was completed in March 2014.

Requested Capital Improvement Items

Emergency Repairs	50,000
Mower	4,000
Bar Screen Apparatus	31,900

Wastewater Department (Continued)



Alberto Montalvo, Wastewater Treatment Plant Operator

Wastewater Department (Continued)

Expenses by Line Item	2013-2014	2014-2015
Executive Salaries	16,690	17,190
Regular Wages	70,130	72,280
Overtime	3,200	3,130
Special Pay	1,840	2,250
FICA Taxes	5,700	5,880
Medicare Taxes	1,340	1,380
Retirement Contributions	4,800	4,920
Medical Insurance	13,360	12,000
Dental Insurance	980	1,050
Life Insurance	1,060	890
Workers Comp	3,050	3,050
Medical	560	560
Engineering	27,540	16,540
Accounting/Auditing	13,000	11,600
Contract Service	25,980	25,990
Travel & Per Diem	500	500
Phone, Fax, Cells	2,000	2,000
Postage & Freight	1,500	2,500
Internet	840	840
Utility Services	41,420	77,420
Lease/Rent Copier/Veh/Bldgs	6,180	6,480
Insurance	21,180	21,480
Miscellaneous Maintenance & Repairs	2,000	3,000
Maintenance Agreements	1,380	1,380
Building Maintenance & Repairs	2,000	1,000
Equipment Maintenance & Repairs	40,800	41,400
Vehicle Maintenance & Repairs	500	500
Wastewater Line Maintenance & Repairs	5,000	5,000
Printing and Binding	50	50
Promotional RLC	-	100
Legal Ads, Licenses & Obligations	2,000	500
Contingency	2,000	2,000
Office Supplies	1,000	1,000
Miscellaneous Operating Supplies	500	500
Gas & Oil Supplies	3,000	4,000
Janitorial Supplies	300	300
Chemical Operating Supplies	25,000	20,000
Tools	500	500
Uniforms	1,200	1,200
Furniture/ Equipment under \$1000	2,000	1,500
Schools & Conferences	1,000	1,500
	353,080	375,360

Water Department

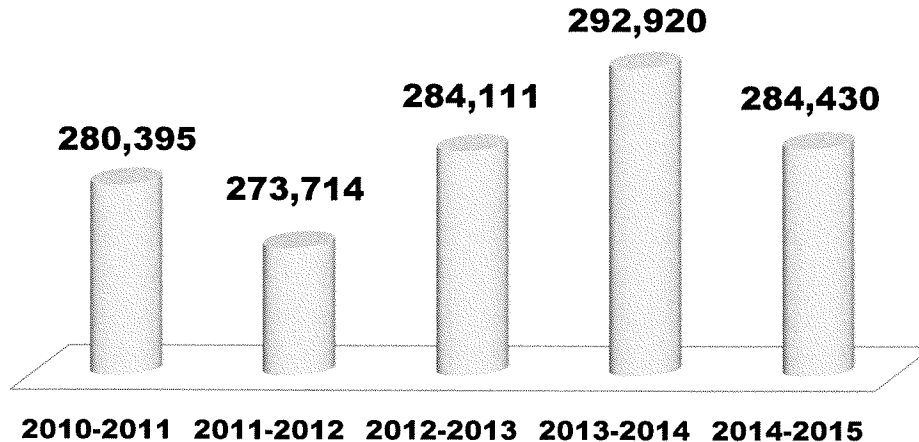


Installation of Waterline loop piping along Palm Avenue

Water Department - Total Operating Budget \$284,430 – This department efficiently and effectively provides the highest quality of service possible to all water customers within the City. This service will ensure the uninterrupted delivery of adequate quantities of water with the highest possible quality to meet the needs of the system.

Requested Capital Improvement Items

Loop Water Lines	736,420
Electronic Meters	100,000
Emergency	50,000
Refurbish Well Interiors	50,000
75 HP Motor (Spare)	4,450
40 HP Motor (Spare)	2,600
Trailer	2,000



Water Department (Continued)

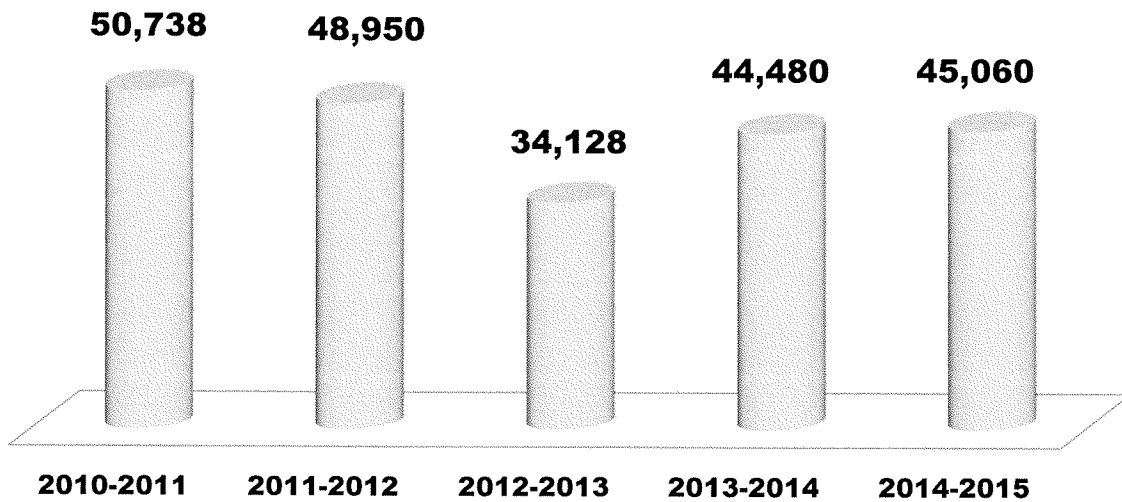
Expenses by Line Item	2013-2014	2014-2015
Executive Salaries	16,690	17,190
Regular Wages	60,130	75,270
Overtime	450	720
Special Pay	2,340	2,990
FICA Taxes	4,900	5,970
Medicare Taxes	1,150	1,400
Retirement Contributions	3,500	3,130
Medical Insurance	12,620	10,110
Dental Insurance	940	930
Life Insurance	730	630
Workers comp	3,050	3,050
Medical	160	160
Engineering	14,600	6,000
Accounting/Auditing	13,000	11,600
Contract Service	12,920	2,970
Travel & Per Diem	1,000	100
Phone, Fax, Cells	2,520	2,520
Postage & Freight	1,800	3,000
Internet	740	-
Utility Services	36,890	36,890
Insurance	14,490	140
Rent/Lease	140	14,800
Miscellaneous Maintenance & Repairs	23,000	23,000
Maintenance Agreements	1,380	1,380
Building Maintenance & Repairs	500	500
Equipment Maintenance & Repairs	15,000	15,000
Vehicle Maintenance & Repairs	500	500
Water Line Maintenance & Repairs	5,000	5,000
Printing and Binding	300	300
Legal Ads, Licenses & Obligations	3,000	3,000
Bank Fees	500	1,200
Office Supplies	1,000	1,000
Miscellaneous Operating Supplies	500	500
Gas & Oil Supplies	3,500	4,500
Janitorial Supplies	200	200
Chemical Operating Supplies	25,000	20,000
Tools	1,500	1,500
Uniforms	2,500	2,500
Furniture/ Equipment under \$1000	3,000	3,000
Memberships	600	600
Schools & Conferences	1,180	1,180
	292,920	284,430

Storm Water Department

Storm Water Department - Total Operating Budget \$45,060 – This Department provides for the health, safety, and welfare of the community through effective storm water control.

Requested Capital Improvement Items

Repairs 25,000



Storm Water Department (Continued)

Expenses by Line Item	2013-2014	2014-2015
Executive Salaries	8,290	8,540
Regular Wages	9,350	9,760
Overtime	50	130
Special Pay	470	590
FICA Taxes	1,130	1,180
Medicare Taxes	270	280
Retirement Contributions	1,090	1,140
Medical Insurance	3,230	2,850
Dental Insurance	310	290
Life Insurance	250	230
Workers Comp	770	770
Engineering	3,000	3,000
Accounting/Auditing	3,250	2,900
Postage	500	800
Insurance Except Payroll	3,500	3,580
Maintenance Agreements	690	690
System M&R	5,000	500
Legal Ads	1,830	5,000
Office Supplies	500	1,830
Misc Operating Supplies	250	250
Furniture Under \$1000	250	250
Schools and Conference	500	500
	44,480	45,060

Frequently Asked Questions

Q: What is the purpose of the City budget?

A: The budget is an annual financial plan for the City of Frostproof. It specifies the level of municipal services to be provided in the coming fiscal year. It reflects the policies and priorities set by the Council.

Q: How and when is the budget prepared?

A: Each year, the Finance Manager prepares budget worksheets to be distributed to the various department heads. City departments submit their plans and needs for the coming year to the Finance Manager. The Finance Manager compiles the proposed budget, which is then reviewed by the City Manager and revised to reflect her goals for the upcoming year. The City Manager then submits her recommended budget to the Council. The Council reviews the budget during the Budget Workshop, holds two public hearings to obtain citizen input and then adopts the final budget along with an ordinance establishing the property tax rate required to fund the budget.

Q: What is a fiscal year?

A: A fiscal year is a 12-month operating cycle that comprises a budget and financial reporting period. The City's fiscal year runs from October 1 through September 30.

Q: Where does the City obtain its revenue?

A: From local, state, and federal taxes, fees, licenses, and payment for municipal services such as water, wastewater, and solid waste collection.

Q: How is the revenue obtained by the City used?

A: It is used to pay for salaries, equipment, supplies, capital improvements, and debt service needed to provide fire and police protection, water, wastewater, solid waste collection, and other municipal services specified in the City budget.

Q: What is a mill tax?

A: One mill is equal to \$1.00 for each \$1,000 of assessed property value. City property taxes on a \$150,000 home, with a \$50,000 homestead exemption and millage rate of 8.0587, would be \$805.87.

Millage Example:

Assessed Value \$150,000

Less Homestead Exemption 50,000

Net Taxable Value \$100,000

÷ 1,000 = \$100

x 8.0587 Millage

\$805.87 Property Tax

Q: What is property tax?

A: When the City adopts its annual budget, it determines the tax rate that must be applied on property in order to generate the necessary general fund revenue. The estimated tax rate (millage) in the City of Frostproof recommended for FY 2014 budget is 8.0587 mills or \$8.0587 per \$1,000 of taxable value of all property within the City. The Polk County Property Appraiser establishes the taxable value of all property in the City. The City has no control over the taxable value of property; it only has control over the tax rate that is levied.

Q: What is a Homestead Exemption?

A: The Florida Constitution provides that a homeowner may apply for, and receive, a homestead exemption for \$50,000 on his or her principle residence. After the County Property Appraiser appraises the property, \$50,000 is subtracted from the appraised value. The remainder is the taxable value upon which the tax rate is applied.

Q: What is the difference between Ad Valorem Tax and Property tax?

A: There is no difference between the two. They are different names used for the same tax.

Q: What is the “Save Our Homes Act”?

A: In 1992, Florida voters approved an amendment to the Florida Constitution that limited the amount of value a homestead property could increase on the tax rolls each year. The law limits value increases to the lesser of 3% or a figure equal to the Consumer Price Index.

Q: What is an Operating Budget?

A: An Operating Budget is an annual financial plan for recurring expenditures such as salaries, utilities, and supplies.

Q: What is a fund?

A: A fund is a separate accounting entity within the City that receives revenues from a specific source and expends them on a specific activity or activities. The City maintains two separate funds, all of which account for distinct activities.

Q: What is a capital improvement budget?

A: A capital improvement budget is a long-range plan for the construction of physical assets such as buildings, streets, and sewers.

Q: What is a revenue or enterprise fund?

A: A revenue or enterprise fund earns its own revenues by charging patrons for municipal services. The water department is an example of an enterprise fund. It generates revenues by billing its customers for the water they use.

Q: What is a budget appropriation?

A: A budget appropriation is a specific amount of money that has been approved for use in a particular manner by Council.

Q: What is a budget amendment?

A: A budget amendment is an ordinance or resolution adopted by the Council which alters the adopted budget by appropriating additional monies to a particular department or fund, decreasing appropriations to a particular department or fund, or transferring funds from one department to another.

Q: What is the difference between recurring and non-recurring revenues?

A: Recurring revenue is income from sources which continue from year to year, where a similar amount can be expected annually. Property Taxes and Franchise Fees are examples of recurring revenue. Non-recurring revenues are those that exist only for limited period, or whose amounts vary considerably from one year to the next.

Examples of non-recurring revenues include surplus land sales and “one-time” grants.

Q: What are the purposes of bond/state loans?

A: To lend money to the government so that they can cover their operating costs.

Q: Who establishes the rules by which the City of Frostproof adopts its annual budget and property tax rate?

A: The property tax rate and budget adoption process are governed by both the City Charter and State Statutes.

Q: What are Franchise Fees, and why does the City of Frostproof levy them?

A: The franchise fee is a charge levied by the City on a utility to operate within the City and to use the City right-of-ways and other properties for locating pipes, wires, etc. The state allows utilities to pass on the franchise fee directly to customers on their utility bills. The City of Frostproof, like most cities in Florida, relies heavily on franchise fees for revenues rather than on property tax.

Q: What are utility taxes and why does the City of Frostproof levy them?

A: State Statute 166.231 gives municipalities the authority to levy a tax on the purchase of electricity, metered natural gas, liquefied petroleum gas, and water service. The tax is levied only on purchases within the municipality and shall not exceed 10% of the payments received by the seller of the taxable item from the purchaser for the purchase of such service. These revenues help fund the overall operations of the General Fund.

Q: What is a Telecommunications Tax?

A: State Statute 202.191 gives municipalities the authority to levy a local communications service tax. The tax encompasses voice, data, audio, video, or any other information or signals, including cable services transmitted by any medium.

Glossary

Accrual - Adjusting journal entries designed to ensure that assets and liabilities that are created or discharged because of operating activities of the current period are recognized as revenues and expenses in that period. Examples include accrued wages and accrued interest.

Accrual Basis of Accounting - Accounting method where revenues are recorded when earned (regardless of when cash is received) and expenses are recorded when liabilities are incurred (regardless of when payment is made).

Ad Valorem Tax - A tax levied on the assessed value of real property. This tax is also known as property tax.

Adopted Budget - A financial plan presented, reviewed, and approved by a governing body for the upcoming or current fiscal year beginning October 1.

Annexation - The process by which an unincorporated area is brought into a City. Rules governing annexation are established by State Statute.

Annual Budget - A budget applicable to a single fiscal year.

Appropriation - A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

Assessed Property Value - The value set upon real estate or other property by the County Assessor and the state as a basis for levying taxes.

Asset - Resources that have monetary value and are owned or held by a government.

Authorized Positions - Employee positions, which are authorized in the adopted budget, to be filled during the fiscal year.

Balanced Budget - A budget in which planned funds available equal planned expenditures as required by Florida State Statute 166.241.

Bond - A certificate of debt issued by an entity, guaranteeing payment of the original investment plus interest, by a specified future date.

Bond Covenants - Agreements made to assure bond holders that sufficient money will be available to pay bonds.

Bond Refinancing - The payoff and re-issuance of bonds to obtain better interest rates and/or bond conditions.

Budget - An annual financial plan that identifies revenues, specifies the type and level of services to be provided and establishes the amount of money which can be spent.

Budget Allocation - The distribution of a sum of money for a particular purpose according to a specific plan.

Budget Amendment - Legal means by which an adopted estimated revenue or expenditure authorization limit is increased or decreased.

Budget Funds - Funds that are planned for certain uses, but have not been formally or legally appropriated by the legislative body.

Budgetary Control - The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitation of available appropriations and available revenues.

Capital Equipment - Equipment in excess of \$1,000, with an expected life of more than one year such as automobiles, computers and furniture.

Capital Expenditures - Those expenditures that increase the value of the City's capital assets.

Capital Improvement Project (CIP)/Expenditure - Major construction, acquisition, or renovation activities, which add value to the City's physical assets or significantly increase their useful life.

Capital Improvement Project (CIP) Budget - A financial plan for construction of physical assets such as buildings, streets, sewers and recreation facilities.

Capital Outlay - The purchase, acquisition, or construction of any item having a unit cost of \$1,000 or more, or a useful life of one or more years. Typical capital outlay items include vehicles, construction equipment, photocopiers, computers, and office furniture.

CDBG - Community Development Block Grant. A Federal entitlement program used primarily to fund programs that benefit low and moderate-income persons.

City Charter - Document setting forth the principles, functions, and organization of the City's government.

Communication Services Tax - A tax levied by the State on telecommunication and cable services. This replaces telecommunication and cable franchise fees and utility taxes previously collected by local governments.

Contingency - An appropriation of funds to cover unforeseen events that occur during the fiscal year.

Cost Allocation - A method used to charge enterprise, internal services, and federal funds for their share of central administration costs.

Current Operations - The existing processes, functions, or procedures used by the City to carry out its vision, mission, and goals.

Debt Service - The payment of principal and interest on borrowed funds such as bonds.

Depreciation - The decrease in value of physical assets due to use and the passage of time.

Derivative - Types of investments in which payoffs are produced over time from the performance of assets, interest rates, foreign exchange rates, or indices.

Designations - A portion of fund balance earmarked for specific appropriations.

Encumbrances - The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for future expenditures. This is generally accomplished through purchase orders, contracts or requisitions.

Employee Benefit (Fringe) - Contributions made by the City to meet commitments or obligations for employees beyond base pay, such as the City's share of costs for social security, worker's compensation, and various pension, medical, and life insurance plans.

Enterprise Fund - A self-supporting fund designed to account for activities supported by user charges. Examples are Water, Wastewater, and Sanitation Removal.

Expenditures - Decreases in net financial resources. Expenditures include current operating expenses, which require the current or future use of net current assets, and debt service.

Expenses - Decreases in net total assets. Expenses represent charges incurred for operation, Maintenance, interest, and other charges.

Financial Statements - A written report of the financial condition of an organization, which shows revenues, expenses, and income (the difference between revenues and expenses) of the organization over a period.

Fiscal Year - Any period of 12 consecutive months designated as the budget year. The City's budget year begins October 1 and ends September 30. The State's fiscal year runs from July 1 through June 30.

Fixed Assets - Assets of a long-term character, which are intended to continue to be held or used: land, buildings, improvements other than buildings, and machinery and Equipment.

Franchise Fee - A fee assessed on a business, usually a public utility, in return for the right to operate inside the City limits.

Fund - A set of inter-related accounts to record revenues and expenditures associated with a specific purpose.

Fund Accounting - A government accounting system, which is organized and operated on a fund basis.

Fund Balance - The balances remaining in a fund after expenditures have been subtracted from revenues.

General Fund - A fund used to account for the receipt and expenditure of resources traditionally associated with local government. Some departments/divisions included in the General Fund are Administration, Finance, Library, Cemetery, etc.

Generally Accepted Accounting Principles (GAAP) - The uniform set of authoritative standards and procedures adopted by the accounting profession.

Government Accounting Standards Board (GASB) - A seven-member board organized in 1984 to establish standards of financial accounting and reporting for state and local governmental entities.

Government Finance Officers Association (GFOA) - The professional association of state/provincial and local finance officers in the US and Canada which has served the public finance profession since 1906. The GFOA administers the Distinguished Budget Presentation Awards Program, a voluntary awards program which encourages governments to prepare effective budget documents.

Governmental Funds - Funds generally used to account for tax-supported activities that rely mostly on current assets and current liabilities. There are four different types of governmental funds; general, special revenue, debt service, and capital projects.

Grants - Financial assistance in the form of money, property, or technical assistance in lieu of money, awarded by a governmental agency or private organization to an eligible applicant to accomplish public purposes. Grants obligate the grantee to meet specified objectives and hold the grantee financially liable if funds are not spent in accordance with applicable laws, rules, and regulations of the funding agency.

Homestead Exemption - A deduction from the total taxable assessed value of property permanently occupied by the owner in the State of Florida. The exemption is now \$50,000 for all property owners who qualify.

Impact Fees - A charge for services which is assessed on new construction in order to support specific new demands on a given type of service such as transportation, schools, parks, libraries, wastewater, and water supply systems, fire and police protection, and other government agencies and services. Local governments generally implement impact fees so that existing residents and businesses do not have to pay for needs caused by new developments.

Infrastructure - The basic facilities, services, and installations needed for the functioning of a community or society, such as transportation and communication systems, water and power lines, and public institutions including schools, post offices, and prisons.

Initiatives - Specific programs, activities, projects, or actions an organization will undertake in an effort to meet performance targets.

Inter-fund Transfers - Payments from one fund to another fund, primarily for work or services provided.

Intergovernmental Revenue - Funds received from Federal, State and other Local Government sources in the form of grants, shared revenues, and payments in lieu of taxes for a specific purpose.

Local Option Gas Tax - The local option gas tax is a 30-year tax, begun in 1983, to fund transportation related improvements.

Millage - The tax rate on real property based on 1 mill equals \$1 per \$1,000 of assessed property value.

Non-Recurring Expense - Non-recurring expenses are comprised of those that exist only for a limited period, or whose amounts vary considerably from one year to the next. Examples of non-recurring expenses include grants to private organizations or other governments, and one-time expenses for special projects.

Non-Recurring Revenue - Non-Recurring revenues are comprised of sources that exist only for a limited period, or are amounts that vary considerably from one year to the next. Examples of non-recurring revenues include proceeds from grants and the sale of land.

Object Code - Unique identification number and title for an expenditure category.

Operating Budget - A budget for general expenditures such as salaries, utilities, and supplies.

Operating Expenses - These are expenses of day-to-day operations and exclude personal services and capital expenses.

Ordinance - A formal legislative enactment by the legislative body which, if not in conflict with any higher form of law, has the full force and effect of law within the boundaries of the municipality to which it applies. An ordinance requires more legal formality and has a higher legal status than a resolution. Revenue raising measures, such as the imposition of taxes, special assessments, and service charges, universally require ordinances.

Personnel Expenditures - Salaries, wages, taxes and fringe benefits such as pensions and insurance.

Property Tax - A tax levied on the assessed value of real property. This tax is also known as Ad Valorem Tax.

Recurring Expense - Expenses, which continue from year to year, where a similar amount can be expected annually. Examples include personnel expenses, and charges for utilities.

Recurring Revenue - Revenue sources which continue from year to year, where a similar amount can be expected annually. Examples include property taxes, utility taxes, and license fees.

Reserve - An un-appropriated source of funding not required for expenditure in the current budget year that is set aside to meet unexpected budgetary needs such as emergencies or unforeseen requirements.

Resolution - A special or temporary order of a legislative body that requires less legal formality and has a lower legal status than an ordinance or statute.

Rollback Rate - The millage rate which, (exclusive of new construction, additions to structures, and deletions), will provide the same ad valorem tax revenue for each taxing authority as was levied during the prior year.

Sources - Total revenues and transfers from other funds that increase net financial resources.

Special Revenue Fund - A fund that is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Tax Year - The calendar year in which tax bills are sent to property owners.

Taxing Authority - A government body, such as a City, county, or school board, with authority to levy property taxes.

Transfers - A transaction that reallocates all or part of any item in an approved budget to another line item.

Truth in Millage (TRIM) Notice - A notice sent annually to property taxpayers, which explains any changes in the millage rate of each taxing authority from the prior year. The notice also includes the time and place of public hearings on adopted millage rates.

User Charges - The payment of a fee for direct receipt of a public service by the party benefiting from the service.

Utility Tax - A tax levied by cities on the consumers of various utilities such as electricity, telephones, or gas.